

LEGISLATIVE ASSEMBLY

Wednesday 23 June 2004

Mr Speaker (The Hon. John Joseph Aquilina) took the chair at 10.00 a.m.

Mr Speaker offered the Prayer.

BILLS RETURNED

The following bills were returned from the Legislative Council without amendment:

Fines Amendment Bill
Local Government Amendment (Mayoral Elections) Bill

The following bill was returned from the Legislative Council with amendments:

National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Bill

Consideration of amendments deferred.

CRIMES (INTERSTATE TRANSFER OF COMMUNITY BASED SENTENCES) BILL

Second Reading

Debate resumed from 4 June.

Mr ANDREW HUMPHERSON (Davidson) [10.04 a.m.]: I lead for the Opposition on the Crimes (Interstate Transfer of Community Based Sentences) Bill. I indicate at the outset that the Opposition does not oppose the bill. The Opposition has expressed longstanding support for any measure that will assist the transition of offenders into community life and the management of offenders to ensure that as far as possible they are unlikely to reoffend. New South Wales has the highest rate of recidivism in Australia. Approximately 45 per cent of offenders in New South Wales reoffend and are convicted and returned to the correctional services system within two years of their release. That is an appalling record and the worst of any jurisdiction in Australia. The rate of recidivism has shown a substantial increase over the past 10-year period that encompasses this Government's term of office. It is to this Government's absolute shame that offenders who are dealt with by the correctional services system in New South Wales are far more likely to reoffend than are offenders in any other State of Australia or in comparable jurisdictions overseas.

The provisions of this bill allow for offenders with community based sentences of predominantly weekend and home detention to transfer and serve their sentences in another State jurisdiction. Most offenders who serve their period of detention in New South Wales are convicted here but those who volunteer to serve their punishment in another State will be able to do so under the provisions of this legislation. That is a sensible measure because it enables offenders to be close to their employment, training, family and community support throughout the entire period of their sentence. After completion of their sentence, they will be able to resume their lives in the community and with ongoing support will be less likely to reoffend. The bill is based on consent of the offender, and that is a logical concomitant of the arrangement. However, a corollary of the bill is that uniform sentences will have to apply across jurisdictions. Presently, not all States provide periodic and home detention orders, which are available in New South Wales, so jurisdictional constraints will apply when offenders are nominating the State to which they wish to transfer. Other preconditions of the arrangement include that there has to be capacity for the offender to comply with the sentence in his or her local jurisdiction, and the sentence must be able to be safely, efficiently and effectively administered.

Although the Opposition does not oppose the principle, intent or objectives of the bill, we seek assurances from the Government through the Minister's representative at the table that breaches or revocation orders will be strictly applied in the substituted jurisdiction for offenders who are convicted in New South Wales. For example, if an offender is serving a period of home detention or weekend detention in New South Wales and transfers to Victoria, the Opposition seeks assurances that there will be no diminution in punishment

as a result of the transfer of jurisdictions. The New South Wales community is entitled to the absolute assurance that a punishment meted out by the New South Wales judicial system will be absolutely respected and applied across jurisdictions. I recognise that there may well be administrative challenges. However, it is important for justice to be applied to a New South Wales offender in other States in the same way that it would be applied if he or she remained in New South Wales. I seek that assurance.

Only last night we passed legislation requiring automatic revocation of periodic or weekend detention orders for offenders who have a history of revocation and who have served full-time punishment before serving a periodic detention order. Under the new legislation there will be no second chances. A subsequent breach or non-attendance at periodic detention will result in automatic return to prison. The Opposition wants assurances that that will apply to any offender serving punishment in another State. There should be no excuses and there should be no capacity for an offender to avoid a firm punishment regime in New South Wales by seeking to relocate to another State and potentially be subject to more lenient punishment administration. I seek those assurances from the honourable member representing the Minister. Subject to those assurances being forthcoming, the Opposition will not oppose this legislation.

Mr MILTON ORKOPOULOS (Swansea) [10.12 a.m.]: I am pleased to support the Crimes (Interstate Transfer of Community Based Sentences) Bill. As the Opposition spokesperson said, the object of the legislation is to establish a scheme for the formal transfer and enforcement of community based sentences between Australian jurisdictions. I am pleased that the Opposition has seen fit to support the legislation. The Carr Government has displayed on many occasions its ability to be forward thinking on major initiatives. The introduction of this legislation is yet another example of that, which is why I am so pleased that the Opposition is supporting it. The bill will allow offenders who are sentenced to community based orders in one jurisdiction to apply to serve their time in another.

Following the passage of the legislation, a trial will proceed between New South Wales and the Australian Capital Territory. After the completion and evaluation of the trial, it is anticipated that mirror legislation will be introduced in other Australian jurisdictions to enable the scheme to be administered nationally. The scheme will be effective in two main areas. First, it will assist offenders who move interstate to comply with a community based sentence; second, it will ensure that offenders who fail to comply with a community based sentence interstate will answer for that failure. It will also enable courts to impose a community based sentence on an offender who resides interstate if that is the most appropriate sentence. That option is currently unavailable.

People may wish to serve their sentence interstate for a variety of reasons. It could be that they actually reside in that State, or they may have better employment or study opportunities, or they may wish to be closer to their family. The success of the community service order scheme can be measured by the completion rate for community service orders or the value of work that is performed by offenders who are subject to community service orders. The Department of Corrective Services annual report states that in 2002-03, 75 per cent of community service orders were successfully completed on the basis of compliance. That is significant. In the same period, offenders subject to community supervision performed more than \$11.7 million worth of unpaid community work, and approximately 1,425 non-profit organisations provided work opportunities for offenders subject to community service orders. In other words, 1,425 community organisations benefited from the community service scheme.

In 2002-03, the Probation and Parole Service supervised a monthly average of 4,409 offenders subject to community service orders, and 10,264 offenders with probation orders, including bonds, bail supervision, drug court orders and suspended sentences. During that financial year it had a caseload intake of 5,526 community service orders and 14,262 probation orders. These figures do not include parole orders supervised by the service, because parole is a component of a sentence of imprisonment, not a community based sentence. It is anticipated that only a very small percentage of offenders serving a community based sentence will seek to have their sentence transferred interstate. I understand that the Department of Corrective Services estimates that when the scheme is fully operational, based on the percentage of parolees whose parole orders are currently transferred interstate, between 1 per cent and 3 per cent of community based sentences will originate from interstate and between 5 per cent and 7 per cent of New South Wales persons serving community based sentences will be supervised by interstate authorities.

This legislation is aimed at ensuring greater compliance with community service orders and at lowering the costs of breaching action. It does not mean that the sentence itself will be any easier. However, complying with the sentence—turning up to perform the work—will be made easier, and the effect of the sentence will be

maximised. It is commonsense that an offender with a settled life is more likely to comply with a community based sentence than an offender whose life is unsettled. If people can settle down better interstate because it is the State in which they reside, because they have better employment opportunities or because they are closer to their family and they are assessed as suitable for transfer, then this legislation will provide a framework for the transfer. I commend the bill to the House.

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [10.17 a.m.] in reply: I thank the honourable member for Davidson, speaking on behalf of the Opposition, for his support of the bill. I also thank the honourable member for Swansea for his contribution. Allowing for transfers in such circumstances may increase the offender's chance of successfully serving a sentence, being positively reintegrated into the community and being diverted from the prison system. They are all positive aspects of this legislation. Part of the application for registration of a sentence in this State includes a statement by the interstate authority that the offender understands and agrees to be bound by the requirements of the law of New South Wales, that any breach of sentence may result in the offender being resentenced in New South Wales and that the consequence of such a breach may be different from the consequence of a breach in the sentencing State or Territory.

Consideration has also been given in drafting the bill to the issue of an offender's appeal rights against an interstate sentence. It would be unsatisfactory if an offender sought to lodge an appeal against a sentence after the sentence had been transferred interstate. Therefore, New South Wales authorities may seek advice upon whether any appeal has been lodged or any statutory appeal period has passed. The registration of the sentence can be refused until either an appeal has been dealt with to finality or the appeal period has passed. The hallmarks of this bill are commonsense and practicality. It is anticipated that the legislation will have a positive impact on compliance with community based sentences because it will assist offenders in serving their sentences, and breaches of community based sentences interstate will be more readily brought before a court. As the honourable member for Swansea said, having an offender in a settled situation is obviously preferable.

On behalf of the Minister I express my thanks to the Australian Capital Territory Chief Minister, and Attorney General, the Hon. Jon Stanhope, for his co-operation and that of the Australian Capital Territory Corrections Department in the drafting of this bill and the planning for the pilot program which will be implemented under the bill. The Australian Capital Territory Corrections Department provided the New South Wales Department of Corrective Services with considerable background information to the Australian Capital Territory Community Based Sentences (Transfer) Act 2003. That information considerably assisted the drafting process. New South Wales and the Australian Capital Territory already co-operate closely on a number of correctional matters.

The Minister for Justice, the Hon. John Hatzistergos, and Mr Stanhope announced late last month that New South Wales and the Australian Capital Territory would jointly pilot a scheme to be established by the bill, to allow for the transfer and enforcement of community based sentences between the two jurisdictions. The pilot is another example of cross-jurisdiction co-operation, which will ultimately benefit both New South Wales and the Australian Capitol Territory. Following an evaluation of the trial similar legislation will be enacted in each Australian State and Territory.

I turn now to the matters raised by the honourable member for Davidson. The Productivity Commission itself has indicated that data on recidivism is not compatible between each State and that better and more effective policing, and more police on the beat, mean more criminals are arrested and go back into the system. In effect, the statistics between the States cannot be paralleled. The second reading speech indicated quite clearly that an offender who is transferred to a new jurisdiction will be managed as if the court in the new jurisdiction had imposed the sentence.

In regard to the high compliance and speedy revocation in New South Wales, I note that the Coalition presided over a periodic detention attendance rate that was lower than 60 per cent. The compliance rate for New South Wales periodic detainees is now at an historic high, over 80 per cent. The Carr Labor Government has been tougher on offenders who break the law, revoking periodic detention orders more frequently and faster than the Coalition ever did. In the last three years of the Coalition's reign, on average 370 orders were revoked per year. In the past three years under Labor that number has increased to 847. The Government has clearly demonstrated its effectiveness in this area. This is very practical legislation that makes it much more effective for those offenders who are transferred interstate to comply and to serve out their sentence in a way that facilitates their return to the community. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

LIQUOR AMENDMENT (RACING CLUBS) BILL**Second Reading****Debate resumed from 4 June.**

Mr GEORGE SOURIS (Upper Hunter) [10.24 a.m.]: I lead for the Opposition on the Liquor Amendment (Racing Clubs) Bill and indicate that the Opposition will not oppose it. Essentially the bill corrects an anomaly in relation to Governor's licences applicable to race clubs; that is, under the existing Act an unregistered club is excluded from the ability to sell alcohol. It was, of course, an unintended anomaly and this bill seeks to make it possible for an unregistered racing club to sell alcohol at a racetrack. The bill takes the opportunity to also incorporate the avenue of a Governor's licence for greyhound racing clubs in the same way as other racing clubs. The bill corrects that anomaly and there is no aspect of the bill that needs rectification. The Opposition supports the bill.

Mr GEOFF CORRIGAN (Camden) [10.25 a.m.]: The Liquor Amendment (Racing Clubs) Bill is important for ensuring the continued viability of racing clubs, particularly country racing clubs, across New South Wales. Many race clubs have applied for, and been granted, Governor's licences since the Carr Labor Government reforms to the racing industry in 2001. This bill is important because it protects the ability for race clubs to access Governor's licences. Currently an anomaly exists under the Act when a race club applies for and is granted a Governor's licence but to serve alcohol under that licence is illegal. A Governor's licence allows race clubs to utilise their function facilities for corporate functions and events in addition to the service of alcohol during their regular race meetings. Many race clubs have upgraded their facilities to provide first-rate function centres. The ability to use those facilities to provide a host of additional events to the local community is an important means by which the viability of race clubs can be assured.

The bill also has important flow-on effects to the local community. For example, it provides greater opportunities for employment within the local area as well as increased income to the local economy. Race clubs are important local community assets and should be maintained and supported. A viable race club helps to boost local tourism in country areas. In addition to addressing the anomaly under the Act that makes it illegal for a race club to serve alcohol with a Governor's licence, the bill seeks to extend to greyhound racing clubs the same provisions that currently apply to thoroughbred and harness racing. That is, the bill allows greyhound racing clubs the ability to provide for, and be granted, a Governor's licence and to utilise their facilities for events and functions in the same way as do thoroughbred and harness racing clubs. That is important for providing consistency across the racing codes.

Some greyhound racing clubs have developed excellent facilities and should be allowed to make better use of them. Of course, a race club in any code may choose to retain its current functions licence rather than apply for a Governor's licence. The function licence provides the club with the ability to sell alcohol during its usual race meetings but not extended sale of alcohol for other functions. I commend the bill to the House.

Mr DARYL MAGUIRE (Wagga Wagga) [10.27 a.m.]: I support the comments of the shadow Minister, who said that the Opposition will not oppose this bill. The object of the bill is to correct an anomaly in the Liquor Act that may expose racing clubs to disciplinary action for the offence of selling liquor from an unregistered club, despite holding a Governor's licence. The bill provides also for greyhound racing clubs to apply for a Governor's licence. The background to the bill is the Liquor Act reforms, which were introduced in 2001 to allow for the granting of a Governor's licence to racing clubs and those reforms helped to improve the viability of country racing and to offset the cost of maintaining racetracks and associated facilities. I will labour that point: Country racing is so important to rural communities and everyone loves to go to the races, whether greyhound, trots or harness racing.

In Wagga Wagga we have a famous event, the Wagga Wagga Gold Cup, about which the Minister has made some excellent comments and about the economic benefit it brings to the community. Approximately \$6 million is injected into the community through hotels, hospitality, accommodation and retail outlets, especially by the dollars expended on ladies' fashion in retail outlets. The Wagga Wagga Gold Cup runs for a week and I attended the most recent event, which was an amazing day. The cup has complete community support and 10,000 people attended. I want to go back to serving liquor and the reality that faced the Murrumbidgee Turf Club [MTC] some time ago. I pay credit to the Department of Gaming and Racing because it solved the problem, which was an oversight. When the licence was applied for, the parameters of the licence went, inadvertently I understand, to the turnstiles. As young people under the age of 18 walked through the

turnstiles to attend the races, perhaps with their family—and we encourage young people to take an interest in sport—or even as jockeys walked through the turnstiles, they suddenly found themselves in the area where alcohol was served.

That was a monumental licence muck-up that had to be addressed. It would have impinged heavily on the MTC had the problem not been resolved. I know it was in the eleventh hour that the department finally resolved the issue. I place on record my thanks to the department for its actions, because the event is so important to our community. It is important also that licensing is applied correctly, and that the rules and regulations under which licences are granted are adhered to. Other smaller regional communities also hold race days. For example, Lockhart holds the Lockhart Picnic Races. I note that a Minister's assistant in the gallery is nodding her head in agreement that that is a marvellous day in Lockhart. People come from all over Australia to attend the races there. Holbrook has combined its picnic race day with its one race day of the year. It is another marvellous event, and it brings some 2,000 or 3,000 people to Holbrook.

Mr SPEAKER: Bob and Geraldine Mathews are very impressed.

Mr DARYL MAGUIRE: That is right. Bob and Geraldine Mathews are great citizens of Lockhart; they have made a great contribution to the community. Bob is involved with the progress association, and he is obviously keen to promote the benefits that racing brings to Lockhart. Holbrook is now in the process of amalgamating all its sports facilities. It will have a pony club, a racing club and equine events all located on the one ground. I ask the Minister to have a look in that hollow log and dig out some funding for those facilities because it is an amazing, hardworking community.

Tumbarumba is another country community that holds a great race day. In fact, it has had a very long fight to save its race club and have it improved, but it has done it. As we know, country racing is under pressure; there are issues with prize money and sponsorship. Tumbarumba racing club carried out more than \$0.5 million worth of repairs to its facilities at a cost of \$140,000 because of community involvement. Country race days are some of the colourful events that add to the diversity of our communities and the entertainment we enjoy. As I said, the Opposition supports the bill. It is important that the Act accurately reflects the needs of the organisations that apply for a Governor's licence.

Mr ALAN ASHTON (East Hills) [10.33 a.m.]: I support the Liquor Amendment (Racing Clubs) Bill and appreciate the Opposition's support for it. I listened intently to the contribution of the honourable member for Wagga Wagga as he listed the small country racing clubs that would benefit from the provisions of the bill, and I know that the appreciation he afforded the Minister is well meaning. Recently I heard the Minister comment on radio about the importance of water—something that seemingly has very little to do with liquor. Many nightclubs and various licensed facilities now want to charge more for water than they charge for alcohol.

Mr George Souris: That's the longest bow I've ever heard in parliamentary democracy.

Mr ALAN ASHTON: That is right. How would this country have grown if in the old days we had to pay for our water and we got all our grog for free? A decision of the Licensing Court some years ago highlighted an anomaly in the Liquor Act that impacts upon the liquor trading entitlements of racing clubs that would threaten their viability, particularly for the country racing clubs outlined by the Minister in his second reading speech, the honourable member for Upper Hunter and the honourable member for Wagga Wagga. In the city it is not such a difficult prospect to facilitate a liquor licence, but in the country, where racing club events are not held as often, if a racing club does not get a Governor's licence and have the ability to sell liquor on the premises, firstly the club is breaking the law. Secondly, if a person who attends the races wants to make a big deal about the matter, the whole event could be ruined. That could occur in numerous country racing venues.

The anomaly identified by the Licensing Court, in section 133 of the Liquor Act, means an offence is committed when liquor is sold from an unregistered club, that is, a club that does not hold a certificate of registration under the Registered Clubs Act. Most racing clubs are not registered clubs. For example, in Bankstown the Harness Racing Authority obviously has a liquor licence, and that is a fairly broad and viable arrangement. Bankstown Trotting Club, which holds a trotting and pacing event only once a week, sometimes less often, also has a liquor licence and virtually can operate 18 hours a day. However, many of the other smaller country racing clubs that have been referred to do not have liquor licences.

An offence is not committed when a club holds a function or university licence, but the offence captures racing clubs operating under a Governor's licence or other licensing arrangements. Many Sydney and

provincial racing clubs operate under a Governor's licence, which enables liquor to be sold at private functions and community events, as well as race meetings held at the club's premises. In these instances, the offence applies. The legislative anomaly, if left unchecked, could erode the viability of a racing club's function and conference facilities, which are important community assets. The bill makes it clear that the racing club can hold a liquor licence of its own choosing to suit its operations without inadvertently breaking the law.

In my local area, events such as presentation days and football presentations often take place at council-owned sporting grounds. On such occasions the club, whether it be the junior rugby league club or soccer club, for example, has to be very careful about whether it can serve alcohol. This is an important aspect of the difference between a Governor's licence and a function licence. A function licence allows liquor to be sold by sporting clubs and other non-profit groups at functions such as sporting events, presentation dinners and fundraising events. However, there is obviously an element of profit involved in some of the events that are held, particularly in the country. I suppose this reflects the differences in the licences they have sought.

Limits apply in terms of the nature and number of functions that may be held under a function licence. For example, a general limit of 26 functions a year applies, while liquor can only be sold at the non-profit club's own functions. This means liquor cannot be sold by the club at events such as a member's wedding or a corporate event. For these types of events, a horseracing and harness racing club would need to obtain a Governor's licence. A Governor's licence can only be issued in limited circumstances, including where the premises is on Crown land—increasingly, that will not be the case—where it forms part of a railway refreshment room, or where it is occupied by a horse racing or harness racing club.

Obviously, the purpose of this measure is to correct anomalies that many members of Parliament and ordinary citizens in our community have probably been aware of for some time. Until the Licensing Court decision in 2003, the anomalies did not impinge upon most of the operations of country racing clubs and other racing clubs. This Government cannot just ignore the issue and let it take its course, which is why these amendments are important. As I said earlier, liquor cannot be sold at weddings or at corporate events. People in the country might say, "We are going to get married and have a function at Tumbarumba racecourse. We will have champagne and a garbage bin full of ice, but beer and the like will not be sold." However, they will still be breaking the law. That anomaly must be corrected. We do not want someone's wedding interrupted by an overly zealous police inspector who was not invited to the wedding and who gatecrashed the event and took away all the alcohol. The Government is attempting to tidy up the legislation.

I said earlier that a Governor's licence could only be issued with the authority of the Governor, following a favourable recommendation by the Minister. As the Minister is not a drinker it is not likely that he will authorise Governor's licences willy-nilly. The Liquor Act reforms that were introduced in 2001 will allow horseracing and harness racing clubs to obtain a Governor's licence for their premises. These two codes of racing have generally operated larger facilities and have been in a position to diversify their operations into catering for functions and private events. More recently, greyhound racing clubs selling liquor under a function licence have expressed an interest in having their entitlements aligned with those that are in place for horseracing and harness racing clubs, which is fair.

A licensed greyhound racing club in the Auburn electorate is tied up with the greyhound racing venue. I congratulate the Minister on his efforts in this area. He has been active in introducing legislation in this Parliament, he has brought harness racing and greyhound racing into line and he has afforded everyone the same opportunity. Several greyhound racing clubs are in the process of expanding their operations to include function and conference facilities. They need to earn revenue that cannot be obtained only from racing events. This bill will put greyhound racing clubs on the same footing as the other two racing codes by making it clear that greyhound racing clubs can apply for a Governor's licence. I thank the Opposition for its support for the Liquor Amendment (Racing Clubs) Bill, and I commend the bill to the House.

Mr GRANT McBRIDE (The Entrance—Minister for Gaming and Racing) [10.43 a.m.], in reply: I thank all honourable members who made a contribution to debate on this bill—the shadow Minister, the honourable member for Upper Hunter, the honourable member for Camden and the honourable member for Wagga Wagga, who referred to the licensing of premises associated with Murrumbidgee Turf Club. I acknowledge the efforts of the former Minister who made a recommendation to the Governor to achieve the liquor licensing changes to which the honourable member has referred. I congratulate the honourable member for East Hills on his contribution to debate. He displayed the skills and ability that are essential to the running of this Parliament. This bill removes any uncertainty about the ability of a race club to hold a suitable liquor licence for its premises.

Honourable members would be aware, in particular those who represent regional centres, that today many race clubs offer more than just a race track, bar and tote facilities. Their facilities and buildings, which are part of the local community, are increasingly being integrated into providing services for the broader community. This bill recognises the valuable community facilities that many race clubs have developed in recent years by ensuring that appropriate licences can be held for their premises. In most cases the licences that are being sought are Governor's licences. In 2000 this Government made arrangements for thoroughbred and harness racing clubs to obtain a Governor's licence. This bill extends those licensing reforms to make it clear that a greyhound licence club can also obtain a Governor's licence. I commend the bill to House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

COMPULSORY DRUG TREATMENT CORRECTIONAL CENTRE BILL

Second Reading

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [10.45 a.m.], on behalf of Mr Bob Debus: I move:

That this bill be now read a second time.

The Government is pleased to bring this significant initiative before the House. This bill provides a comprehensive legal basis for Australia's first drug treatment correctional centre, which the Government plans to establish by the end of 2005. The Premier announced this initiative in March 2003. The Compulsory Drug Treatment Correctional Centre will target a hard-core group of offenders with long-term drug addiction and who have an associated life of crime and constant imprisonment. It is for offenders who have failed to enter or complete other voluntary or court-based treatment programs.

The program, which sits at the end of the continuum of drug diversion programs in New South Wales, is aimed at breaking the drug-crime cycle. Eligible offenders to the program will be sent to a special correctional facility dedicated to absence-based treatment, rehabilitation and education. There will be intensive judicial case management of these offenders in close partnership with the correctional authorities as well as with health and other service providers. The Compulsory Drug Treatment Program will build on the productive justice and health system linkages already established for programs such as the Drug Court program. Offenders will be gradually reintegrated back into the community and targeted with support after the completion of their program and even beyond parole.

The aim is to achieve better outcomes for the State's most desperate and entrenched criminal addicts, assisting them to become drug and crime free, to take personal responsibility and to achieve a more productive lifestyle. The Premier released the bill as draft exposure legislation for a period of public consultation earlier this year. The bill was advertised in the press and on the Internet, and it was sent to 48 targeted individuals and organisations. I am pleased to advise the House that the consultation process indicated general support for the bill. Fifteen submissions were received, including many constructive comments from the Director of Public Prosecutions, the Chief Magistrate of the Local Court, the New South Wales Ombudsman, the Legal Aid Commission, the Law Society of New South Wales and the Acting Privacy Commissioner.

A number of refinements were made to the bill in response to the submissions. The Chief Magistrate advised that he supports the introduction of the legislation as an important crime prevention measure, which will supplement rehabilitative initiatives already introduced, that is, the cannabis QUIT program, the Magistrate's Early Referral into Treatment program and the present Drug Court regime. The chief executive officer of the Enough is Enough Anti-Violence Movement advised that the members of his organisation totally support this forward-thinking approach. The Network of Alcohol and Other Drug Agencies also indicated its support for the bill. The Government has been pleased to draw on the experience and expertise of the Drug Court during the drafting of the bill.

There has been strong personal involvement from senior Drug Court Judge Neil Milson, who travelled to the United States of America last year and looked at similar programs that were operating there. The Government also wishes to acknowledge the contribution of Emeritus Professor Ian Webster, Chair of the New South Wales Expert Advisory Group on Drugs, who has given significant advice on these proposals. Professor

Webster is participating in the interagency Compulsory Treatment Task Force formed to undertake detailed planning for the program. Initially, the New South Wales Compulsory Drug Treatment program will deal with 100 adult male offenders. After two years the program—if successful—will be extended to female offenders.

The proposal is being modelled on similar programs in the United States and the Netherlands. Overseas experience suggests that compulsory treatment is an effective way to deal with repeat drug offenders. The Government has committed \$6 million in funding over two years for the initial operation of the Compulsory Drug Treatment program. The new correctional centre will be established by modifying an existing stand-alone secure wing at the Parklea Correctional Centre. Capital funding of \$1.5 million has been set aside for this purpose. Offenders in the program will be kept separate from other inmates in the correctional system.

I will now outline the key features of the bill. Schedule 1 includes amendments to the Drug Court Act to provide for certain eligible convicted offenders to be referred to the Drug Court of New South Wales for assessment for the Compulsory Drug Treatment program. To be eligible for the program, an offender must appear to have a long-term drug dependency, have been convicted of and sentenced to imprisonment for an offence related to the offender's drug dependency and lifestyle, and have been convicted of at least three other offences in the previous five years. The offender's sentence must be long enough for an 18-month to three-year Compulsory Drug Treatment detention program.

Serious offenders convicted, at any time, of offences such as murder, manslaughter, sexual assault, firearms-related offences or commercial drug trafficking will be excluded from the program. Offenders with a serious or violent mental condition, illness or disorder, which could prevent or restrict the person's active participation in the program, will also be excluded. Offenders with mental disorders or illnesses co-existing with drug dependency problems may, however, be included in the program if they do not come within this exclusion. Their mental health needs will be addressed as part of the program.

The Drug Court will have the power to order an offender who is assessed as eligible and suitable to serve his or her sentence on the Compulsory Drug Treatment program, or the Drug Court may decline to make such an order in view of the circumstances of a particular case. Schedule 2 of the bill amends the Crimes (Sentencing Procedure) Act to include compulsory drug treatment detention as a new form of "custodial sentence" which may be imposed on an offender. Schedule 3 of the bill includes amendments to the Crimes (Administration of Sentences) Act. The objects of compulsory drug treatment detention are specified and focus on effectively treating offenders' drug dependency, reintegrating offenders into the community, and preventing and reducing crime.

The bill provides for compulsory drug treatment detention to consist of three stages: stage one, closed detention, where inmates will be incarcerated in the Compulsory Drug Treatment Correctional Centre for intensive drug treatment and rehabilitation; stage two, semi-open detention, where offenders will live at the centre but spend time outside in employment, training or other approved programs; and stage three, community custody, which is similar to home detention. During this stage, the offender will move to semi-open independent living but remain under intensive supervision, including electronic monitoring. Under the bill, a compulsory drug treatment personal plan will be drawn up providing the basis of each offender's treatment and rehabilitation program. In addition to drug treatment, inmates will be taught social skills, preparation for the job market, management of debt and management of leisure time, among other things.

The Drug Court will order progression of offenders to the next stage of the program after a minimum of six months if they have complied with their personal plan, or they may be ordered back to an earlier stage if they fail to comply. The Drug Court will be responsible for the approval of leave for offenders from the centre during stage two, semi-open detention, and stage three, community custody, and will make orders for their intensive community supervision during those stages. The Commissioner of Corrective Services will have the power to order an offender be removed from the program or returned to earlier stages if any security or other concerns arise which need to be addressed quickly. The Drug Court will be required to review those orders within 21 days, or such further time as the Drug Court considers appropriate. In doing so, the Drug Court must give substantial weight to any recommendations of the commissioner.

There is a scheme of rewards for compliance with the program and tough sanctions for breaches of it. Serious breaches could see the offender returned to the regular prison system, and this may be taken into account by the Parole Board when the offender comes up for parole. Persons involved in administering the program, for example, health professionals, will have certain obligations and protections in respect of providing information about offenders to the Drug Court and others.

The bill provides the basis for a drug-free program through powers to make regulations, which will cover stringent search procedures, random and periodic drug testing, and restrictions on physical contact visits during stage one. There are also powers to make regulations about providing offenders with post-release case management services and other services upon their release from the Compulsory Drug Treatment program. This will include ongoing mentoring and linkages to housing and employment. Overseas experience suggests that this type of post-release support will be extremely important for offenders to prevent them returning to drugs and crime.

The bill requires a review of the program to be conducted during its first four years of operation, consistent with the Government's evidence-based approach to drug policy. Enactment of this legislation is a high priority this year to help facilitate planning for the new centre, as well as for the comprehensive program of treatment and rehabilitation which will be provided to offenders. The development of regulations providing the basis for the administration of the program will be part of this planning process. There will be another public consultation process on the regulations before they are made. I commend the bill to the House.

Debate adjourned on motion by Mr Steven Pringle.

CRIMES AMENDMENT (CHILD NEGLECT) BILL

Second Reading

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [10.56 a.m.], on behalf of Dr Andrew Refshauge: I move:

That this bill be now read a second time.

The Crimes Amendment (Child Neglect) Bill contains strong and sensible amendments to the Crimes Act 1900 to deal with the complex issue of child neglect. Late last year the Government set up a working party comprising officers of the Department of Community Services and the Attorney General's Department to review offences in the Crimes Act and the Children and Young Persons (Care and Protection) Act 1998 in relation to child neglect. The process was aimed at determining whether the law, as it stood, sufficiently reflected contemporary community standards and values. The working group recommended that the Crimes Act be amended.

This bill replaces the existing section 43, inserts a new section 43A, and amends section 44 of the Crimes Act. These changes complement the amendment late last year to section 43 of the Act, which saw the age of a child to which the offence applied increased from 2 years to 7 years. Other than that amendment and the proposed amendments in this bill, these provisions have been the subject of little or no modification since they were first incorporated in the Act. This is reflected in the language of the Act as it stands, which the Government has acknowledged requires modernisation. By making the language of these provisions more contemporary and otherwise strengthening the Act's treatment of child neglect-related cases, the relevant authorities will be better able to pursue prosecutions in appropriate circumstances.

I now turn to the individual amendments. The bill proposes the deletion of the current section 43 and its replacement with a new section 43. As before, the new section 43 applies to any person. While retaining the essential character of the section it replaces, new section 43 is phrased in contemporary language. If a person intentionally abandons or exposes a child under 7 years of age without reasonable excuse, and the abandonment or exposure causes a danger of death or serious injury to the child, the person is guilty of an offence and can be imprisoned for a maximum of 5 years.

A defence of "without reasonable excuse" replaces the use of the term "unlawfully" in the current section. It will be the role of judicial officers to determine whether an individual can establish this defence. Trivial or shallow reasons will not assist an individual being prosecuted under this section. I am advised, for example, that the proposed section could be used to mount a prosecution against anyone—it need not be a parent—who abandons a child in a car in the blazing summer sun, thereby causing a danger of serious injury to the child.

The section 43A offence focuses on people with parental responsibility who, without reasonable excuse, intentionally or recklessly fail to provide a child with the necessities of life. The necessities of life include, but are not limited to, such things as providing a child with adequate food, clothing, medical treatment, accommodation, and care. If a person with parental responsibility, without reasonable excuse, intentionally or

recklessly fails to provide such necessities of life to a child for whom he or she has parental responsibility, and the failure causes a danger of death or serious injury to the child, the person is guilty of an offence and can be imprisoned for five years.

The bill also amends section 44. All references to "child" or "ward" will be removed as they are now covered under the new provisions of section 43A. This will mean that section 44 will continue to apply to other vulnerable people, but not to children. There is a similar offence under the care legislation, but if it is more appropriate for a custodial penalty to be pursued, the Crimes Act provisions can be used. It should be noted that the offences outlined in this bill will complement other Crimes Act provisions relating to assaults and other acts causing danger to life or bodily harm.

It is appropriate at this point that I address whether custodial penalties should be provided for in the care legislation or whether they should be in the Crimes Act. The Government believes that gaol penalties and other non-financial penalties, such as community service orders, for such offences should be in the Crimes Act and not in the care legislation. The focus and thrust of the care legislation is about preventive and intervention strategies and working with families when there are allegations of risk of harm and neglect. The Minister does not believe that it is appropriate to reinstate prison sentences in the care legislation, given that they were specifically removed in 1998 following the Parkinson review of the 1987 care legislation. Gaol penalties were removed to make the legislation more focused on the interests of children and young people. The Government certainly supports the prosecution of people when there are serious allegations of abandonment and neglect. In appropriate severe cases, the option of imprisoning the perpetrator should be clearly available.

[Debate interrupted.]

BUSINESS OF THE HOUSE

Routine of Business: Suspension of Standing and Sessional Orders

Motion by Mr Carl Scully agreed to:

- (1) That standing and sessional orders be suspended to permit the business before the House to be interrupted forthwith for the Leader of the Opposition and the Leader of The Nationals to speak on the Appropriation Bill and cognate bills.
- (2) That the interrupted business be set down automatically as an order of the day for a later hour.

APPROPRIATION BILL

APPROPRIATION (PARLIAMENT) BILL

APPROPRIATION (SPECIAL OFFICES) BILL

CROWN LANDS LEGISLATION AMENDMENT (BUDGET) BILL

SUSTAINABLE ENERGY DEVELOPMENT REPEAL BILL

Second Reading

Debate resumed from 22 June.

Mr JOHN BROGDEN (Pittwater—Leader of the Opposition) [11.00 a.m.]: Taxes are up, a deficit has been unleashed, debt is up and growing, and services are declining—all during a time of economic prosperity. This is the legacy of 10 years of Labor. Despite the calmest of economic seas, the ship of State is unsteady. And in the calmest of economic seas our hospitals are struggling, our railways are deteriorating and our police force has been cut by 500. The people of New South Wales have lost confidence in the Carr Government. Budget Paper No. 2 says it all about the tenth Carr budget when it states, "There is little flexibility to absorb future shocks." It further states:

If future permanent fiscal shocks, including wage increases above those allowed for under the Government's wages policy, were to emerge, further policy responses would be required.

In other words, there will be more taxes on struggling families across the State. If Labor cannot deliver the most basic of government services in good times, what hope do we have, as a State, of withstanding times of

difficulty or times of change? Not only will New South Wales be in deficit this year to the tune of \$379 million, it will also be in deficit next year by \$118 million. State debt will rise by \$5.3 billion over the next four years, to a total of over \$21.6 billion by June 2008, and the tax hikes in the mini-budget will rake in \$3.6 billion over four years. Put simply, taxes are up, the State is in deficit, and State debt is rising.

New South Wales is going backwards under Bob Carr and Labor. New South Wales has the only government in the country that is increasing taxes and going into deficit—even after 10 years of brilliant economic sunshine. Despite the Government's spin, the budget papers show that capital spending in the general government sector will fall as a share of gross State product over the next four years. In other words, capital works spending will not even keep pace with the economy. What is worse is that the Government will not even tell us what many projects cost. Those wishing to know the cost of the various school upgrades will not find that information in this budget. For anyone wanting to know how much will be spent on major roads next year, the Government either does not know or will not say. No wonder the Government did not want any real scrutiny of this year's budget! No wonder the usual budget lockup was replaced with a post-budget speech press conference. No wonder this House has only one day to debate the budget bills.

The real failing of this budget and this Government is the missed opportunity. Over the past decade the Australian economy has withstood enormous shocks. Australia sailed through the Asian economic crisis. The economies of some of our most significant trading partners collapsed and Australia's economy never missed a beat. A few years later the American economy entered a sudden recession and Australia again sailed through. As a State we enjoyed the greatest and most sustained property boom in our history, filling the Government's coffers. The national unemployment rate is at its lowest in two decades. Interest rates have been sustained at the lowest levels in a generation. Inflation is no longer an issue that occupies public debate. Yet despite Australia enjoying its strongest economy in a generation, what do we find in New South Wales? A budget in deficit, taxes being increased, State debt rising, and capital expenditure not keeping pace with the economy. The people of New South Wales ask in one voice: Where has all the money gone?

After a decade of economic plenty this Government has achieved little. It has failed to reform State finances and cut Government waste. It has not delivered real improvements in services. Even worse, the Government did nothing to prepare our finances for the predictable property downturn. For nine years the Carr Government gorged itself on the proceeds of the most sustained property boom in this State's history. Despite the opportunity that this provided for the Government to undertake genuine structural reform, Labor opted instead for the lazy, do-nothing option. What was it forced to do when the market turned down? It introduced new property taxes, slugging mum and dad investors and, indeed, worsening the property decline in this State. What is more, the Government has actually increased its reliance on the property market.

This Government is taxing people who have done nothing more than work hard to build their wealth and invest in their retirement. New South Wales is now the only State that taxes people when they buy an investment property, while they own an investment property, and when they sell an investment property. Unlike Labor, we believe that people should be rewarded for effort and encouraged to save for the future. Today I recommit the Liberal-Nationals Coalition to abolishing the property exit tax and reintroducing a land tax-free threshold.

Labor is a Government of tax and waste. The responsibility for this policy lies at the feet of Bob Carr. As we saw yesterday when the Treasurer listed spending item after spending item, this is not a budget of vision or direction, it is a budget of missed opportunities. It is a budget that is about paying for the mistakes of the past. The budget boasts a 7 per cent increase in funding for our hospitals but it does nothing to replace the 4,750 hospital beds that this Government has closed down over the past nine years. It does not apologise to the families of the 23 people who died unnecessarily at Camden and Campbelltown hospitals and it does nothing to address the code red crisis in our emergency rooms. Worse, it has no solution for the new emerging mess—code black—where emergency rooms do not even admit life-threatening cases.

The Treasurer boasts of additional funding for our schools, yet he does not mention the drop in enrolments by 5,372 in public schools. Nor does he mention the extra 56,842 students who are now in the non-government system. This Government fought the teachers' pay rise every step of the way because this Treasurer begrudges every cent spent on public education. The Government boasts of increased spending on our railways, yet we still see commuter outrage, the fudging of on-time running figures, a new railway timetable that will cut railway services on weekends, cuts to CountryLink and regional rail services, and driver shortages. But we got an explanation from the Treasurer yesterday about the failure of our railways. He did not say, "Blame the Millennium Trains." He did not say, "Blame Carl Scully." He said almost poetically, Sydney is one of the most

beautiful cities of the world, but what helps to make it so beautiful—its peninsulas, its bays and its waterways—also makes it so difficult to service with rail transport.

So the Treasurer has finally told us the reason for our rail crisis in New South Wales: it is Sydney Harbour, Pittwater and Port Hacking. The Treasurer was almost silent on one crucial portfolio yesterday. He barely mentioned policing and law and order. Why the silence? Because there is only bad news in the police budget. Honourable members will recall that I revealed on 24 February in the Parliament the Carr Government's secret plan to cut police numbers. The Premier denied it. He said in this House on 24 February, "There is no Government plan to reduce police numbers." Well, he lied. The Government has cut police numbers by 500. We revealed the Government's secret plan to cut police numbers and it denied it. But this budget makes clear the drop in police numbers. This is a budget that provides no value for New South Wales taxpayers, who continue to be the highest taxed citizens in the country.

The Coalition has a very different approach from Labor to managing the budget and the State's priorities. When I was elected Leader of the Liberal Party in March 2002 I asked the people to judge this Government by asking the following questions: Is it harder to get to work with worsening traffic and trains running late? Is it harder to get police to your home if you have been robbed? Is it harder to be confident that your kids are safe at school? And is it harder to get into hospitals when you need to? This is how the people of New South Wales should judge their government, yet these are the measures which the Government does not answer in the budget process. The very foundation of representative democracy is accountability. It is the means by which the people can make an informed decision about how their government is working. Yet, despite the people of New South Wales putting \$38 billion on the budget table for next year, we cannot truly ascertain from this budget whether the Government is actually improving the quality of life of its citizens.

We cannot ascertain from this budget whether our children are healthier, whether the air we breathe is cleaner, whether parents have confidence in our schools, whether our trains and buses are on time, whether our police are clearing up crime, whether our prisoners are not re-offending, whether our emergency rooms are open and not closed under a code red sign, or whether the work of the Department of Community Services is preventing child abuse. These are the measures of the work of a government. They are fundamental questions about our quality of life. However, these measures are not to be found in the budget documents. These facts are either hidden or partially obscured from the people of New South Wales.

Today I set out a new framework for government, a framework that will make government accountable, improve services, and enhance the quality of life of all citizens. It is a policy framework for the twenty-first century. Labor believes that the work of a government is measured by how much money is spent. We believe the work of a government is measured by what it achieves. Labor believes it is about inputs, and we believe it is about outcomes. Labor believes that a health system should be judged by its budget, by how much is spent. The Coalition believes that a health system should be judged by the people it heals and the sicknesses it prevents. Labor believes that a public transport system should be judged by the level of government subsidy. The Coalition believes that a public transport system should be judged by its reliability, its safety record, and the cleanliness of our buses, trains and ferries. Labor believes that community services should be judged by the number of reports it processes. The Coalition believes that community services should be judged by the number of children they protect and the abuse they prevent.

Despite allocating nearly \$38 billion of taxpayers' funds in the coming financial year, the budget cannot tell us what the goals of the Government are and what its measures of performance are. The Coalition will shake government out of its slumber and re-write the budget process. A Brogden-Stoner government will encourage performance within government in four steps: first, establishing a set of clear goals for the government and targets for every agency; second, publicly reporting on all agencies against the targets; third, ensuring the accuracy of this reporting by having the data signed off by the Auditor-General; and, lastly, benchmarking every agency's costs and performance against available interstate and international data, both public and private sector. A Liberal-Nationals government will name its critical measures of performance and be assessed against them. Government must shift its focus away from budget process to service delivery.

On budget day we will publish the targets for every agency and report on agency performance against such targets. To ensure public confidence in this process, the Auditor-General will be asked to verify the accuracy of this data. We must change the culture and practices of government so we consider the performance measures of government with the same importance as we do financial measures. By publicly detailing the specific measures of success, the people of New South Wales will be better able to judge the effectiveness or otherwise of each agency.

So, for example, government must set itself the goal of lowering teenage drug abuse. Government should then task agencies with targets to achieve this goal. Education should set a target of 100 per cent of high school students to receive regular information on the dangers associated with drug abuse, and report on the effectiveness of this program. Police should set a target of ensuring that reports of dealing to teenagers are followed up in a set period of time. Juvenile Justice should randomly drug test each of their detainees. By setting targets we make all agencies responsible for improving the quality of life of all of our citizens. We will set targets covering a 10-year period—long-term targets against which a government can be held accountable. Every government says it aims to reduce crime, but we will set specific targets across the board. This means setting targets to see a reduction over a sustained period of time in assault rates, the incidence of break and enter, and violent crime. Again, responsibility for this goal goes beyond our police. Indeed, it requires a whole-of-government approach.

Corrective Services would set a target to lower rates of recidivism. Currently rates of recidivism in New South Wales are the highest in the country. By lowering recidivism the whole community benefits, not only through less crime but through a reduction in the cycle of crime. But a target for lowering the rate of recidivism is not found anywhere in the budget papers, let alone an independent assessment of how well that target is being met. By honestly asking and answering these questions, we can assess the effectiveness of an agency, and whether that agency has been efficiently and effectively fulfilling its mandate. And publishing and reporting against the targets of government ensures that budgets are no longer just documents that show spending, but documents that show how well the Government is doing its job. The Auditor-General has for some time stressed that New South Wales is lagging in developing and publishing useful performance measures. He has said:

Taxpayers have the right to expect governments to spend their tax dollars efficiently and effectively. They have the right to expect governments to be accountable.

Consumers and taxpayers have the right to expect services will be provided efficiently and effectively. They also have the right to information that allows them to judge if that is occurring.

Because of the monopoly position of many government agencies, it is important that this information includes, wherever possible, comparisons with services provided in other States.

Benchmarking costs of service delivery in New South Wales against those in other jurisdictions and, importantly where relevant, those in the private sector, will drive efficiencies and eliminate waste in government. For example, the Productivity Commission reports that it costs \$167.40 per day to house a prisoner in New South Wales. In Victoria, it costs \$147.20 per day and in Queensland it costs \$146.00 per day. If New South Wales were to run its prisons as efficiently as Victoria, that would save the State \$60 million a year. I accept that financial outcomes are not the only outcomes that a prison system should strive for. If we look at recidivism rates, the rate is 45.4 per cent in New South Wales, compared with 33.4 per cent in Victoria and 31.6 per cent in Queensland. So we have a prison system that is more expensive than the Queensland and Victorian systems, and we have a system producing higher recidivism rates than those in any other State. In other words, we have higher costs and less success than our interstate counterparts.

It is little wonder that we get these results when we fail to set targets and fail to benchmark our performance. These interstate comparisons enable us to measure the efficiency of our government. And we should also be comparing ourselves against the private sector. Let government agencies compare their human resources, information technology and project management costs against costs in the private sector. Benchmarking is not only about controlling costs; it is also about assessing outcomes like recidivism rates, like infection and recovery rates in hospitals, and literacy and numeracy levels in schools. Benchmarking is a central feature in the budgetary analysis of almost all major companies.

It is time the public sector in New South Wales followed the lead of the private sector in improving its performance. Benchmarking allows government to better identify waste and more efficient ways of doing things. It answers the question of every taxpayer: Am I getting value for money? It should not be, and must not be, a closed process. It must be open and transparent. By being open and accountable we can drive agencies to cut waste and improve their efficiency. The Government will say it already assesses some of these matters internally. But real change and real competition from agencies will come only from making this process totally open and accountable. These measures will not be agents of change if they are hidden, kept secret, or released in the dead of night. They must be part of the budget process and they must also be credible. That is why we want the measures to be signed off independently.

I am outlining new ideas for government in New South Wales. This new approach requires a cultural shift by every public servant in this State. It is a new way to ensure that government meets its obligations to its citizens. The people of New South Wales deserve better than a Labor Government whose only answer to every problem is to spend more money and to increase taxes. They deserve a government that is open and accountable. They deserve a government that will face the real problems confronting our State and will deal with them head-on. They deserve a government that is focusing on delivering outcomes. The people of New South Wales deserve better than Labor's tenth and worst State budget.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [11.22 a.m.]: Yesterday's budget sealed the demise of the so-called Country Labor faction of this tired and arrogant Labor Government. As Country Labor members sat compliantly, Treasurer Michael Egan reeled off a raft of anti-country measures, contained in a typically Sydney-centric Labor budget, which include a refusal to restore the Casino to Murwillumbah rail service; cuts to the roadworks budget; a cut of more than 700 jobs from the Department of Infrastructure, Planning and Natural Resources and the departments of Agriculture, Fisheries, State Forests, and Mineral Resources; deferral of funding for the vital Country Towns Water Supply and Sewerage Scheme; and confirmation of Labor's new taxes, including the extension of the land tax net and new stamp duty provisions.

These measures will have a devastating effect on the rural and regional communities that Country Labor purports to represent. The so-called Country Labor members put up no fight. Instead, they rushed to offer their congratulations and handshakes to their Sydney Labor masters. This budget has confirmed Country Labor as a sham. It revealed their disloyalty to the communities they represent, and it confirmed that while they pretend to be panthers in their electorates they are pussycats in the Parliament.

The Carr Labor Government will go down in the record books as the most reckless and wasteful government in the history of this State. This budget caps off a decade of neglect of country and coastal communities. Labor's reign has been characterised by a "spend now think later" mentality. It has spent taxpayers' money like it is going out of fashion, yet now we have nothing to show for it. Basic services and infrastructure in rural and regional New South Wales have been run into the ground. Health care, education facilities and road and transport infrastructure are in a mess. Bob Carr has spent too much time strutting the world stage, mixing with the academic elite, and pandering to those with wacky agendas. He has forgotten the day-to-day needs of our communities.

Nowhere is Labor's neglect felt more acutely than in our country and coastal communities. Despite one-third of the population living outside metropolitan New South Wales, the amount of capital expenditure allocated for 2004-05 to country New South Wales falls well short of the one-third mark. The Carr Government is full of spin about capital works for rural and regional New South Wales, but when you analyse the figures the reality just does not match the rhetoric. Identifiable new health projects in country areas, like new hospitals, receive just 12 per cent of the total new capital works budget. Just 14 per cent of funds allocated for ongoing education capital works are destined for rural and regional areas. And Labor has failed to announce any new police stations in country New South Wales, despite the decrepit state of so many regional police stations. Labor's claim that non-metropolitan New South Wales has done well from its budget is nothing more than a cruel hoax. Labor is pushing a con job onto country communities.

I will now turn to the specific basic services of most concern to taxpayers in regional, rural and coastal New South Wales. The first is health. In this budget Labor has employed the same mismanagement, spin and deception that have driven the health system into further crisis. Labor is again attempting to bamboozle us with health spending figures. This year, as it did last year and the year before, the Government crows about spending on health. But what tangible results have we seen? Hospitals have lurched from one crisis to another. Patient care in country areas has reached new lows, with The Nationals revealing a number of disturbing cases in recent months—such as staff at the Goulburn Base Hospital having to stitch up a patient by torch light when an emergency generator ran out of fuel—

Mr Ian Armstrong: Third world country, Bob!

Mr ANDREW STONER: Yes, third world. A Grafton family have been waiting four years for an explanation from the Health Care Complaints Commission regarding their daughter becoming a paraplegic after having an operation; the financial crisis gripping the Southern Area Health Service, which has at times left it unable to obtain basic medical supplies, such as swabs and syringes, due to the refusal of creditors to continue supply; and the elderly woman told she would have to wash her own bandages at home.

This budget further demonstrates Labor's lack of commitment to a decent health system for country areas. The increase in the Health budget is not the windfall the Government would have us believe. The Government's own figures show that last year's 10 per cent increase to the rural and regional Health budget was actually greater than this year's. Despite the spin, funding to reopen 500 permanent hospital beds in the budget will only reverse one-tenth of the almost 5,000 hospital beds closed by the Carr Government since 1995. The reality is that we have 65,000 people on hospital waiting lists and thousands fewer hospital beds than we did when Bob Carr came to power in 1995. More than 8,500 of those are waiting more than twelve months for elective surgery.

Mr Andrew Fraser: It's a disgrace!

Mr ANDREW STONER: It is a disgrace. And country residents still face major waits in emergency departments, closed hospital beds, reduced operating theatre sessions, cancellation of operations, and growing waiting times. Labor's budget will do little to address these tragic realities, because its appalling management means that too little of the Health dollar actually gets through the bureaucracy to the real people who need it—the patients, the doctors and the nurses. As I have already mentioned, only 14 per cent of funds allocated for ongoing education capital works are destined for country New South Wales. Schools will continue to crumble, and our children will still be subjected to learning in sweltering conditions.

Labor is treating rural and regional families and teachers like second-class citizens. I note the Government's trickery in its presentation of the Education budget: it has included money held in school accounts, which often includes money raised by parents and citizens committees, in the overall Education budget. Labor is unmatched in its willingness and ability to cook the books. Country people will not fail to note that Labor has instituted a 20 per cent cut in funding for agricultural courses this financial year, reducing total spending from an already paltry \$817,000 last year to only \$650,000 this year. Once again, Labor is penny pinching at the direct expense of this State's country students.

Mr Adrian Piccoli: Punishing the country.

Mr ANDREW STONER: The Government has punished country people, and it has sent a clear message to students in regional areas about where its priorities lie. Labor has slashed capital roads funding in the budget, while employee costs have ballooned. The Roads capital works budget has been cut by \$20 million in real terms while the number of Roads and Traffic Authority [RTA] bureaucrats has blown out to more than 6,800. New South Wales seems to have more bureaucrats than bitumen. The budget papers reveal that the RTA spends a greater proportion of its budget on staff and administration—\$1.48 billion—than it does on the construction and maintenance of roads—\$1.37 billion. I note that the NRMA has today expressed its disappointment that there is no new roads money in this budget. Despite clear evidence that road quality is inextricably linked with road safety, Labor will fix fewer accident black spots this year.

The number of black spots that receive treatment has fallen steadily under Labor from 164 in 2001-02 to 130 this year, a drop of more than 20 per cent. Too often Labor sparks into action only after a tragedy has occurred. Sadly, that trend seems set to continue. Labor's approach, of course, is in stark contrast to that of the Federal Liberal-Nationals Government, which recently announced a five-year, \$11.4 billion commitment to the new national land transport plan, AusLink. Labor's budget delays the Regional Roads Timber Program, a vital program to help regional councils replace their timber road bridges. The Government has ignored the fact that many timber bridges on regional roads are in a parlous state and cannot wait years to be upgraded. Often these bridges present serious safety hazards for motorists travelling on them, and stumbling blocks to the efficient transport of freight and agricultural products to market. Motorists should not be forced to negotiate crumbling potholed roads and bridges that are downright dangerous, but this Labor budget provides no relief.

It is appropriate that the most Sydney-centric government in the history of this State has handed down the most Sydney-centric Transport budget. The Treasurer reeled off a long list of railway upgrade projects in his Budget Speech, including Bondi Junction, Macdonaldtown, Revesby, Hornsby, Cronulla and Epping to Chatswood. He also referred to money for Millennium rail cars. Re-announcements they may be, but country and coastal communities do not stand to benefit from even one of Labor's multimillion dollar rail projects. The Minister for Transport Services unashamedly described the Transport budget as "the single biggest investment in metropolitan passenger rail services in the nation's history". What he failed to mention was that this outlay came at the direct expense of investment in country rail infrastructure.

Country rail commuters have been well and truly duded by Labor. While money has been pumped into CityRail, the death knell has sounded for country passenger rail services. Already the Casino to

Murwillumbah service has been axed to save a paltry \$5 million a year. That decision alone cost 40 jobs. I note that the honourable member for Tweed is not in the Chamber—and well may he not be here! He should hang his head in shame. Already the future of other CountryLink rail services looks bleak as well. Questioned recently about the future of the western XPT the Minister for Transport Services refused to guarantee anything more than its immediate short-term survival. Despite country rail passengers paying their way to a greater extent than their city cousins—CountryLink collects 38 per cent of its revenue from fares and other revenue whilst CityRail collects a mere 33 per cent—Labor has just planted the target on CountryLink's back.

The Carr Labor Government is intent on ripping the guts out of CountryLink services, shutting down travel centres, closing rail lines and raising fares. Labor is treating country rail users like second-class citizens. We all know that infrastructure is vital to encouraging investment in regional areas, which, in turn, creates jobs and has positive flow-on effects for entire communities. The construction of this infrastructure creates hundreds of jobs, which provides a vital boost to regional economies. I am particularly disappointed that the State Labor Government has again passed up the opportunity to spell out a strategy for the better management of water in this State.

Mr Andrew Fraser: Where are the dams?

Mr ANDREW STONER: Where are the dams? It is vital that a serious investigation is launched regarding both major public infrastructure projects and incentives for private investors to store more water in those times when it is plentiful for use when it is scarce. When the rain begins to fall once more over the State the Labor Government will have done nothing to ensure that we have the infrastructure in place to catch, store and use water efficiently. Country Labor members must also explain why they lied to the people of country New South Wales at the last election about spending \$63.5 million a year on vital water supply and sewerage projects. Labor's 2004 budget has slashed that funding to only \$36 million. At the stroke of a pen Labor has condemned dozens of country communities to inadequate water and sewerage systems, thereby compromising public health and the environment, not to mention the legitimate right of access to quality water in country towns. The honourable member for Murray-Darling should take this up with the Government because water quality is a big issue in the town of Broken Hill.

The Primary Industries budget highlights Labor's lack of commitment to people on the land. While it gloats about record expenditure on various projects in Sydney, it has hung country communities out to dry. It has taken an axe to the Primary Industries budget and slashed \$37 million from it. Labor's cuts are wide reaching and include a \$6 million cut to the Rural Assistance Authority's budget, which means that many farmers will now be denied access to financial support, counselling, loans and advice, and a \$26 million reduction in the Drought Regional Initiatives Program. Only \$5 million has been allocated to keep drought assistance programs going this year. That is a decrease from \$31 million last year and equates to a staggering 84 per cent drop in funding. There has been a 29 per cent cut to funding for rural financial counsellors from \$1.47 million last year to \$1.068 million this year.

Mr Peter Black: That's rubbish! It's an increase of \$21,000.

Mr ANDREW STONER: The honourable member for Murray-Darling ought to have a look in the budget documents. Grants to non-profit rural organisations have been cut by \$763,000 or 70 per cent. With 80 per cent of this State still gripped by drought, Labor's slash-and-burn approach could not have come at a worse time. Labor is kicking drought-affected rural communities while they are down. The Sydney Labor Government has slashed jobs across country New South Wales. The budget reveals that more than 700 jobs will be lost due to budget cuts at the Department of Infrastructure, Planning and Natural Resources and the Department of Primary Industries. The formation of the new super department, the Department of Primary Industries, will result in the loss of 325 jobs.

Staff numbers in the Department of Infrastructure, Planning and Natural Resources will drop from 2,106 last year to 1,488 this year, a reduction of 618. The new catchment management authorities will have a budget to employ only approximately 238 people, which is a net loss of 380 jobs. Job cuts of that magnitude will inevitably impact on departmental capacity to provide front-line service delivery, research and development. Massive cuts to key rural portfolios could be achieved only by hacking into the services that farmers, foresters and fishers need to keep their industries competitive. I note also that funding for wild dog destruction has dropped from \$1.1 million last year to only \$200,000 this year. That is a massive 81 per cent decrease. Are members of the Labor Party, particularly the honourable member for Monaro, aware of the wild dog crisis in southern New South Wales, a crisis that has forced farmers to take stock out of good farming land?

Among other anticountry funding cuts in the budget is a reduction in funding to rural lands protection boards from \$1.867 million last year to \$1.719 million, representing a cut of \$148,000, and the cuts to grants to local councils for flood plain and coastal management from \$26.2 million to \$15.6 million, representing a cut of over 40 per cent. The budget locks in new property taxes that were announced in Labor's mini-budget. These new taxes will have a lasting and devastating effect upon small businesses and property investment in rural and regional New South Wales. The abolition of the land tax threshold, which previously kicked in only at \$317,000, will act as a major disincentive for small businesses intending to set up in, or relocate to, country areas. These increased taxes are a bitter blow to small businesses that are already reeling from the ongoing effects of the drought. Put simply, the new taxes on country businesses are a tax on jobs.

The introduction of stamp duty at the rate of 2.25 per cent on the sale of investment properties, combined with land tax changes, will put the brakes on construction and property investment in country areas. The budget entrenches the inequitable clubs tax, which will cost thousands of jobs in rural and regional New South Wales. As the Leader of the Opposition stated, only a Nationals-Liberal Coalition in government will remove inequitable property taxes and restore confidence to the property and small business sector in regional and rural New South Wales.

Country and coastal communities have received a raw deal from Labor's 2004 budget. The Premier and his Labor Government have delivered higher taxes, no improvement to basic services, no plan for the renewal of infrastructure, massive job cuts in country towns and a budget in substantial deficit. Country people cannot understand why, when they are already being taxed more than their friends and families in other States, they are still being slugged with yet more taxes. In short, the reason is that the State Labor Government lacks the ability to effectively manage the New South Wales economy. The Government has squandered the billions of dollars in revenue that resulted from the property boom. Throughout my visits to country areas of New South Wales, the recurring question I am asked is, "But where has all the money gone?" Labor has spent taxpayers' money hand over fist, yet has failed to deliver the essential services and infrastructure that are so important to any society.

As the Leader of the Opposition stated, Labor has lost the thread of good governance by focusing on spending rather than on targets and outcomes. Consequently, country communities now face a crisis in basic services. They have been left to shoulder the burden of the Carr Labor Government's decade of profligate spending. The first and foremost priority of any State Government should be the provision of good schools, roads, transport and hospitals, yet the Carr Labor Government has failed on all counts. Only a Nationals-Liberal Coalition government will restore the efficient and effective delivery of basic services that are needed by all citizens of this State, including those in regional, rural and coastal communities.

Debate adjourned on motion by Mr Alan Ashton.

CRIMES AMENDMENT (CHILD NEGLECT) BILL

Second Reading

Business resumed from an earlier hour.

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [11.44 a.m.]: In appropriately severe cases, the option of imprisoning the perpetrator should be clearly available. These prosecutions should be carried out by either the police or the Office of the Director of Public Prosecutions under the Crimes Act, rather than by the Department of Community Services [DOCS]. The process is then separated from the intervention work undertaken by DOCS. The Government does not consider it appropriate to amend in any significant way the care legislation at this time. The legislation already contains offences in relation to child abuse and neglect of children and young people.

The monetary penalties in the care legislation are significant. The maximum penalty for these offences is 200 penalty units, which is currently \$22,000. If proceedings are commenced in the Local Court, the maximum penalty that a magistrate can apply is \$11,000. The State's care legislation requires DOCS to focus on the safety, welfare, and wellbeing of a child or young person. It requires DOCS to provide a primarily care and protection response that is aimed at taking action to enhance a child's safety, welfare and wellbeing. The care legislation also allows DOCS to work with parents and care givers to provide support and education that is aimed at intervention for the family as a whole if possible, focusing on circumventing any cycle of neglect or abuse. It allows DOCS to engage in early intervention and prevention work so that DOCS can work with parents to help them change their behaviour. This preventive approach can help to circumvent or minimise the likelihood of harm from neglect.

The Government's Families First strategy and DOCS early intervention initiatives are excellent examples of the Government's commitment to strengthening families and preventing the abuse and neglect of children. These programs seek to identify the early warning signs and provide practical assistance to children and families in need. Families are offered tangible and positive help, rather than a punitive approach. Many children who come to the attention of DOCS have struggling parents or care givers who are facing myriad complex problems, among which might already be a history of incarceration.

The Government has consistently acknowledged that neglect issues are challenging and require a range of responses, including the tough, but workable, changes to the law proposed in this bill. As the Minister has said previously, the Government does not believe that custodial sanctions should automatically apply in all cases of child neglect. Such an approach might have superficial appeal, but it will not resolve the problem of child neglect. We must recognise, however, that there will be cases that demonstrate a complete and inexcusable failure to care for a child to such an extent that the child's life or health is seriously endangered. The bill proposes sensible and workable amendments in the difficult area of child neglect. The proposals use contemporary language and will provide clear options to care and law enforcement related authorities when determining what sanction should be pursued in circumstances in which a child's welfare is jeopardised. I commend the bill to the House.

Debate adjourned on motion by Mr Daryl Maguire.

BUSINESS OF THE HOUSE

Bills: Suspension of Standing and Sessional Orders

Mr CARL SCULLY (Smithfield—Minister for Roads, and Minister for Housing) [11.46 a.m.]: I move:

That standing and sessional orders be suspended to allow the resumption of the adjourned debate on the following bills forthwith:

Crimes Amendment (Child Neglect) Bill
Compulsory Drug Treatment Correctional Centre Bill

I understand that the shadow Minister has been briefed. The bills have been debated already in the upper House. Despite the shadow Minister having been given an extensive briefing and being taken comprehensively through the legislation, he appears to have had a memory lapse. Irrespective of that, these important bills were the subject of full debate in the upper House. I commend the motion to the House.

Mr ANDREW HUMPHERSON (Davidson) [11.47 a.m.]: The standing orders of this House provide for legislation to lay on the table for five days to give honourable members the opportunity to consult in relation to it, consider it and decide on their course of action. The second reading speech on this bill was delivered in this House a little over an hour ago. While it is true that the bill has been debated in the upper House, that is a separate process. Regardless of the House in which the legislation was introduced, the standing orders provide for legislation to lay on the table for five days before debate ensues at the second reading stage. Time and time again the Government overrides the procedures of this House by suspending standing and sessional orders. The Opposition believes that the five-day rule should apply to all legislation.

If the Leader of the House, who has walked out of the Chamber, in line with his common practice, cannot get his act together and if the Government cannot get its act together to properly prepare a program of legislation to be debated in both Houses before the end of a parliamentary session, they did not deserve to be in government. The Leader of the House regularly suspends standing and sessional orders to ram legislation through this House because the Government is so disorganised. The Opposition will not wear this; we will not accept without demur standing and sessional orders being cast aside because the Government is not organised enough to present legislation properly.

Mr Alan Ashton: Point of order: I understand the Opposition being offended at the idea that debate on these bills should proceed now. The point is that the Crimes Amendment (Child Neglect) Bill was introduced in the upper House on 5 May.

Ms Katrina Hodgkinson: Five days.

Mr Alan Ashton: No, there is no five-day rule here; there is a one-day rule. That is why debate on a bill is adjourned until tomorrow. If the Opposition has any point to argue, it is about five days and they should stick to that, but the rule here is one day.

Mr ANDREW HUMPHERSON: If you want to speak, seek leave. That was not a point of order.

Mr Alan Ashton: Mr Deputy-Speaker will rule on my point of order.

Mr DEPUTY-SPEAKER: Order! The point of order has some validity. However, I ask the honourable member for Davidson to complete his speech.

Mr ANDREW HUMPHERSON: If the honourable member for East Hills wants to make a contribution he should seek leave to do so through the Leader of the House.

Mr Alan Ashton: It was a point of order.

Mr ANDREW HUMPHERSON: No, it was not a point of order. He wanted to argue the substance of the debate. I am just explaining that there are a number of reasons—

Mr DEPUTY-SPEAKER: Order! The honourable member for East Hills has every right to take a point of order. The honourable member for Davidson should complete his speech.

Mr ANDREW HUMPHERSON: The Opposition will not accept a suspension of standing and sessional orders without argument. The major legislation is the bill that relates to a compulsory drug treatment prison in New South Wales. That legislation is not urgent, because the Government does not intend to implement that drug-free wing at Parklea prison before the end of next year. There is no sense of urgency about that whatsoever. If anything is urgent, it is the budget, and Opposition members want to debate that today within the available time. The budget is far more urgent and there is more significance in debating it. I will evidence some examples in my shadow portfolio areas. In relation to Emergency Services the Government has lied in its announcements. Yet the Opposition has no opportunity to debate budget items in relation to Emergency Services, because the Government wants to deal with other legislation. Let us have a debate on the budget.

Let us debate the fact that the Emergency Services budget has not increased, as the Government has claimed. The budget has been cut by 7 per cent or 8 per cent in real terms. Before the last election the Government lied to volunteers across the State and to the Rural Fire Service by claiming they would be given an increase in funding for new fire tankers. That was a lie. The money that was promised has not been allocated.

Mr Joseph Tripodi: Point of order: I draw to the attention of the House the contradiction expressed by the honourable member for Davidson. He is arguing that we should not suspend standing and sessional orders to deal with bills when the second reading speeches were delivered today, but he is happy to debate bills that were introduced yesterday. He either wants the five-day rule or he does not. He is contradicting himself. The reality is that these bills have been in the upper House since 5 May. The Opposition is not prepared to debate the bills, even though it has had them for six weeks.

Mr ANDREW HUMPHERSON: The honourable member for Fairfield is wasting the time of the House. Mr Deputy-Speaker, you are letting him carry on. Sit him down! He is completely out of order.

Mr DEPUTY-SPEAKER: Order! The honourable member for Davidson is out of order. If he wants to address the Chair, he should do so properly. I do not want to be screamed at. I suggest the honourable member for Davidson uses the one second remaining to him to complete his speech.

Mr ANDREW HUMPHERSON: I did actually say, Mr Acting-Speaker—

Mr Alan Ashton: He is not Mr Acting-Speaker, he is Mr Deputy-Speaker.

Mr ANDREW HUMPHERSON: He is a very temporary Speaker, as it is. [*Time expired.*]

Question—That the motion be agreed to—put.

The House divided.

Ayes, 49

Ms Allan	Mr Gibson	Mrs Paluzzano
Mr Amery	Mr Greene	Mr Pearce
Ms Andrews	Ms Hay	Mrs Perry
Mr Bartlett	Mr Hunter	Mr Price
Ms Beamer	Ms Judge	Dr Refshauge
Mr Black	Ms Keneally	Mr Sartor
Mr Brown	Mr Knowles	Mr Scully
Ms Burney	Mr Lynch	Mr Shearan
Miss Burton	Mr McBride	Mr Stewart
Mr Campbell	Mr McLeay	Mr Tripodi
Mr Collier	Ms Meagher	Mr Watkins
Mr Corrigan	Ms Megarrity	Mr West
Mr Crittenden	Mr Mills	Mr Whan
Ms D'Amore	Mr Morris	
Mr Debus	Mr Newell	<i>Tellers,</i>
Ms Gadiel	Ms Nori	Mr Ashton
Mr Gaudry	Mr Orkopoulos	Mr Martin

Noes, 34

Mr Aplin	Mr Humpherson	Mrs Skinner
Mr Armstrong	Mr Kerr	Mr Slack-Smith
Mr Barr	Mr McGrane	Mr Souris
Ms Berejiklian	Mr Merton	Mr Stoner
Mr Cansdell	Ms Moore	Mr Tink
Mr Constance	Mr Oakeshott	Mr Torbay
Mr Debnam	Mr O'Farrell	Mr J. H. Turner
Mr Draper	Mr Page	Mr R. W. Turner
Mr Fraser	Mr Piccoli	
Mrs Hancock	Mr Pringle	<i>Tellers,</i>
Mr Hartcher	Mr Richardson	Mr George
Ms Hodgkinson	Ms Seaton	Mr Maguire

Pair

Ms Saliba

Mr Roberts

Question resolved in the affirmative.**Motion agreed to.****COMPULSORY DRUG TREATMENT CORRECTIONAL CENTRE BILL****Second Reading****Debate resumed from an earlier hour.**

Mr HUMPHERSON (Davidson) [12.03 p.m.]: I lead on behalf of the Opposition on the Compulsory Drug Treatment Correctional Centre Bill and indicate that the Opposition does not oppose this bill. The primary purpose of the bill is to provide a legal basis for a drug treatment correctional centre in New South Wales. I state at the outset that there is a strong degree of bipartisan support for ensuring that offenders in the prison system who have had an addiction to drugs leave the prison system with a lesser likelihood of drug addiction and a lesser likelihood of reoffending as a result of that addiction. At the time of the last election the Coalition announced its drug-free prison policy. One prison in New South Wales—the John Morony Correctional Centre in western Sydney—was to be set aside as a drug-free prison.

A trial was to be held and that trial was to be broadened to other prisons in the State's prison system. Under that policy there was to be a stringent drug-free prison regime. Prisoners were to be subjected to

fortnightly drug testing in addition to other ad hoc testing. Positive drug tests would result in mandatory expulsion from the program. All this needs to be seen in the context of drugs being a major problem in the State's prison system. Sometimes inmates or offenders who enter the prison system are not addicts when they are convicted or commence their prison sentences. However, many leave the system with a drug addiction as a result of having had access to drugs during their incarceration. The accessibility to drugs and the availability of drugs in the prison system have been a substantial challenge for governments over a number of years, and that problem has only worsened over time.

This legislation is necessary because of the ready availability of drugs in the State's prison system. The only way to prevent the availability of drugs in the prison system and the associated black market is to ensure that everyone who enters a correctional facility is properly searched. That is not what is occurring at the moment as the relevant union objected to such searches and the Government acquiesced in that objection. Despite the implementation of a tighter regime for visitors, no effective regime is in place for the searching of staff, officers or formal visitors to the prison system. I include in that regime a pat-down search, such as the one that occurs in the United Kingdom. With that type of regime firmly in place in all correctional centres we will have a chance of preventing the transportation of significant contraband and large quantities of drugs to our correctional centres.

The prison officer union expressed concern about the presumption that prison officers are guilty of drug trafficking. Sadly we have seen numerous examples of that in recent years. In many cases I believe it is because they have been compromised or blackmailed into taking drugs and contraband into correctional centres. Until a reasonable regime is established drugs will continue to be a significant problem in the prison system. Notwithstanding that, many offenders who enter the correctional system have an addiction to drugs. Drug treatment, which is part of the rehabilitation process, reduces their likelihood of reoffending once they are released. The Government aims through this legislation to set aside Parklea Correctional Centre as a drug-free prison. It has the capacity to accommodate 100 inmates, one-third of whom will not be on the premises, and the Drug Court will oversight the program.

In our view the drug-testing regime is inadequate. It has not been stipulated by the legislation and it has not been clearly stipulated by the Government, despite our request that it do so. The Government said that the program would be crafted to suit the needs of each individual but we believe there must be a tough regime in which testing is conducted fortnightly and, in addition, there is random testing. If inmates test positive to drugs they will not be compulsorily ejected from the scheme. In our view such a scheme cannot be effective if offenders who are part of the program test positive. Any offender who tests positive must be ejected from the program. We must have a zero tolerance regime. One hundred adult male offenders will participate in the program, which will commence at the end of next year. It is a shame that the Government has not had a greater sense of urgency in getting this program up and running, as it has been announced several times over the past 16 months. It will be the best part of another 16 months before the program gets under way, with the first one-third of offenders participating in it.

To qualify, an inmate has to be a repeat offender who has been convicted of a drug-related crime three times in the previous five years. It is sensible to target a constrained program at those who are most likely to get a benefit from the program, and to target an intense program at those who are less likely to reoffend on their release. Inmates have to have between 18 months and three years remaining in their non-parole sentence period. It is also sensible to target the program at those who are approaching the end of their sentence or who have a relatively short sentence rather than at those who are in prison for much longer. The offenders who will be excluded are those who are guilty of more serious crimes, that is, murder, manslaughter, sexual assault, firearm related offences or commercial drug trafficking.

Stage one proposes that offenders will be entirely resident within the Parklea prison wing. Stage two will see a semi-open detention phase in which offenders will live at the centre but can gain day release for work or training purposes. Stage three is a home detention phase whereby an offender will be monitored at home for the balance of the non-parole period. After completion of the non-parole period, the offender will revert to a normal parole regime oversighted by the Parole Board. The Opposition is concerned about the way the three stages have been structured. Effectively it will be a get-out-of-gaol-early card for offenders participating in the program. Each stage requires between six and 12 months participation. Clearly an offender with a three-year non-parole time left on their sentence can participate in home detention after having contributed 12 months of stage one and stage two. That means that two years of a three-year non-parole balance of a sentence can actually be served by way of home detention.

That is reminiscent of a policy pronouncement made by the Government about three or four years ago—and then withdrawn—whereby offenders would serve the latter part of the non-parole period on home

detention. In our view that is not the intention of the sentencing court. When the justice system sets down a sentence of incarceration as part of a punishment and for the protection of the community that should be adhered to. We do not believe that home detention is a substantial punishment in itself. In fact, it is really not much different from the lifestyle of many law-abiding citizens. The Opposition objects to and has grave reservations about the effect of stage three of the program and the way it will be administered. For example, someone who is given a three-year non-parole sentence by a court, and who is diverted to the Drug Court administered Compulsory Drug Treatment Correctional Centre program, can serve two-thirds of the non-parole period at home. That shows disrespect for the justice system, and that the interests both of victims and justice are not being fully served.

Offenders will be diverted to the scheme if the Department of Corrective Services and the Drug Court believe that they will benefit from participation in it. It will be a compulsory regime and, despite objections from a number of members of the crossbench in the other place, the Opposition is not concerned, as a compulsory regime is important to tackle repeat offenders. The Opposition acknowledges that it sees no disadvantages in allowing those offenders who have been previously sentenced in the period of 12 months prior to gazettal of this legislation. A number of offenders who are in the prison system, or who will enter it within the next 12 months, will be able to access this scheme when it is inaugurated. Thereafter offenders will be diverted to the program when sentenced in the court.

I have identified a range of concerns of the Opposition but they are not sufficient for the raising of amendments. The Opposition does not intend to oppose the legislation as it agrees with the principles that are sought to be achieved, but it has a very different view on how the Government should go about achieving them. The Opposition believes that the Government is being overly lenient by allowing offenders out of prison early into a home detention regime. Clearly the Opposition will watch and monitor the progress of this program in the lead-up to the 2007 election, and thereafter in government will implement policies that it has enunciated in the past.

Mr JOSEPH TRIPODI (Fairfield—Parliamentary Secretary) [12.16 p.m.]: I commend the Opposition for supporting the bill. The Government does not agree with the reservations expressed, but the Opposition's support reflects our common interest of trying to ensure that such reforms are implemented to assist the interests of people in the community more generally. The bill provides the legal framework for this innovative new program and for the reform agenda of the Government. This includes a framework for the measures that will apply to ensure the security of the program and to keep offenders drug free. In particular, the bill includes the power to make regulations on drug testing of offenders throughout their Compulsory Drug Treatment Program, on visits to inmates in the centre, on search and security procedures to be observed in the centre, and on the use of electronic monitoring devices in stage two semi-open detention and stage three community custody.

The Government's proposals for restricting visits during stage one community custody and during drug testing of inmates in this program were outlined in the other place by the Hon. John Della Bosca, MLC, Special Minister of State. In summary, there will be no physical contact visits during stage one closed detention to prevent drugs being smuggled into the centre. It is also intended to conduct periodic drug testing of 100 per cent of offenders in the program during all three stages of the program. This will be supplemented by random and targeted drug testing. The frequency of drug testing will be more intensive than for regular inmates. It may be in the order of two to three times per week as in the current Drug Court program. The testing regime will vary for each offender, depending on particular circumstances and compliance with the program. It is envisaged that regulations will be made setting out requirements for drug testing of all offenders in the program.

The Government's aim is to ensure that a practical drug-testing regime to suit the individual circumstances of offenders is able to be enforced without challenge. I am advised that the Department of Corrective Services is currently working on proposals for the refurbishments needed to establish the new centre. As part of this process, the department has undertaken an extensive security review of the Parklea site. I am advised that specific security measures under consideration for the new centre include high outer perimeter fencing to prevent drugs being thrown in from outside, meshed off verandas to allow the common grassed area to be checked by correctional officers before inmates are permitted outside each morning, a dividing wall to separate inmates in stages one and two, drug dogs rostered at the centre, full scanning of all visitors to the centre, use of the emergency response team from the main gaol to detect drugs and initiate security responses where required, a boost to the department's intelligence capacity, procedures for searching staff entering the centre which currently apply at the super maximum facility and are being rolled out statewide, and psychological testing and criminal records checks for staff at recruitment stage.

The bill provides for careful screening of offenders before their release from the centre for stage two, semi-open detention, or stage three, community custody. The Drug Court will decide on an offender's progression to those community stages of the program. In doing so, the court will be required to take into account assessment reports from the director of the centre and, where an offender is being considered for release to stage three, a probation and parole officer. Electronic monitoring devices will also be used during stages two and three to monitor an offender's whereabouts and ensure the offender keeps to an approved daily schedule. If the Commissioner of Corrective Services has any concerns about the good order and discipline of the centre or the security of the community, the bill allows the commissioner to act urgently to return offenders to an earlier stage of the program or to remove them to regular prison. The Drug Court is then required to review the matter, giving "substantial weight" to the commissioner's reasons for such action. Honourable members may be assured that the Government is taking the security of the centre and the program very seriously, and the bill provides a comprehensive framework for this approach.

Ms LINDA BURNEY (Canterbury) [12.21 p.m.]: I am extremely happy that the Government has introduced this bill. It is carefully thought out legislation. But, more than that, it reflects very forward thinking. At the end of the day, besides being about good social justice imperatives—a fundamental element of this program—the bill has behind it other very sensible approaches. I would argue strongly that there are good economic arguments for the legislation. We know that many people are in correctional centres because of their drug dependency and that much of the crime in our community results from the dependence of people on illicit drugs. In that respect there are financial savings as well as good and broader social imperatives for such legislation. In that sense, I very much support the bill.

I would like to say, before speaking to the specific provisions of the bill, that drug addiction and drug dependency and their outcomes, be they on family, individuals or the community, touch every single one of us. So we should not think that our daily lives are not touched by the drug addicted and that they are a group of people for whom we do not have responsibility. Having made those preliminary comments, I would now move to discuss some of the particular provisions of the bill and flesh out the various stages that people in the program will experience. In doing so, I would emphasise that so many in our prison system are there as a result of their addictions, and very often return to the prison system because of their addictions. In that context, the bill acts as a circuit breaker for, at least in the first instance, 100 male prisoners in our correctional centres. I commend, and draw to the attention of the House, what I am sure will be a positive outcome in two years time from an evaluation of the program. It is most appropriate that women prisoners are also involved in the program.

The aim of the Compulsory Drug Treatment Correctional Centre Bill is to ensure offenders have the support they need to function productively, and to prevent their relapse into drug abuse and crime upon their return to the community. Surely, prisons should be all about rehabilitation and restitution. Overseas jurisdictions such as the Netherlands and the United States of America have found that compulsory or coercive drug treatment for recidivist offenders works best when it involves case management linked to post-release housing, training and entry to the labour market. I know from personal experience and knowledge of people who have been in the correctional system that post-release support and particularly entry to the labour market are critical to those individuals not returning to the correctional system. Post-release programs are fundamental to the self-esteem and decency of the people we are talking about.

The approach in those countries has also been to include a transitional component that keeps offenders in treatment as they return to their home communities. The New South Wales Government's proposal adopts those important features of the overseas model. The bill provides for offenders to serve their compulsory drug treatment program in three stages, allowing them to make a gradual transition back into the community while still under judicial supervision and intensive case management. It also allows for regulations to be made with respect to the provision of post-release case management services and other services to offenders after their release.

Stage one, closed detention, will be an important stabilisation phase involving time out of the community. Offenders will be able to focus on their physical and mental recovery, commence their intensive drug and alcohol treatment and rehabilitation, start to address their criminal attitudes and behaviour, learn new skills, and improve their level of motivation to reform and sense of personal responsibility. I stress the importance of self-esteem. However, right from the outset of this stage, the multidisciplinary assessment team at the centre will be involved in assessing offenders' needs when they re-enter the community and in identifying the programs and support services they will then need. They may meet with the offender's family as part of this process. That also is crucial to the success of the system.

Compulsory drug treatment personal plans will cover the duration of an offender's program, including the treatment and rehabilitation that they will receive during stages two and three and the support with which they will be provided post-release. Plans will be the subject of ongoing review and may be regularly updated as offenders progress through the program. During stage two, semi-open detention, offenders will live at the centre separately from stage one participants. During the day they may be allowed to spend time outside the prison in approved employment, training and socialisation programs. Those activities will be part of the personal plan. It can be seen how these concertina into one another.

During stage three, community custody, offenders will move to more independent living in the community but will still be under intensive judicial and case management supervision. This stage will be similar to home detention. The offender will be located at home or in community housing under typical home detention arrangements linked to continuing drug treatment and integrated case management. Linkages with other agencies, such as area health services, also will be established. Some offenders will participate in a period of supervised parole after stage three. During this time they will be subject to specific parole conditions. All offenders released from the program will be offered post-release support. A post-release case manager will be appointed to provide assistance to the released offender, provide a single point of contact, which is so important, and act as a mentor for the next twelve months, which is equally important.

By the time offenders are released from the program, every effort will have been made to ensure they have a job or training course to go to and a place to live upon release. This in itself is exactly the sort of thing necessary for people to keep on track to rehabilitation and have a decent income upon their exit from the prison system. The detailed planning that is under way for the programs implementation includes: firstly, the preparation of case management guidelines and a case management database; secondly, protocols with other agencies involved in delivering care in the community during stages two and three—which is crucially important because, unless there is such an interagency approach in the delivery of the necessary care, it will be difficult to achieve the sorts of outcomes that we want; and, third, arrangements for delivering post-program support for offenders released from the program.

I re-emphasise that the bill represents careful, forward thinking. It is about dealing in a pragmatic, practical, and just way with a group of people in our community and, in many cases, giving them the first opportunity for proper case management and supervision through the judicial system to enable them to lead productive lives that they can be proud of and become people whom the community can trust. I commend the bill to the House.

Ms VIRGINIA JUDGE (Strathfield) [12.30 p.m.]: I support the Compulsory Drug Treatment Correctional Centre Bill. I commend Minister Della Bosca and his hardworking staff for introducing the bill in the other place. I support the comments of my hardworking colleague the honourable member for Canterbury and praise the careful way in which she referred to the bill as progressive and forward thinking. Many of the aspects of the bill to which she referred highlight its compassionate and humane approach to those who, for whatever reason, have been caught up in the vicious cycle of drug taking, which often destroys not only their lives but also the lives of so many of their families and friends who get caught up in the web. The bill recognises the inherent dignity of each human being in trying to introduce a strategy, a circuit breaker, to get them out of that vicious cycle that, unfortunately for some, leads them down a sad path.

The bill provides the legal basis for an entirely new approach to the treatment and rehabilitation of the State's most entrenched drug-dependent offenders. Offenders now in the program will receive a wide range of treatment and rehabilitation aimed at stabilising their physical and mental health, addressing their drug dependency and overcoming their antisocial attitudes and behaviour, and other associated lifestyle problems. As the Hon. John Della Bosca advised in the other place, it is not enough to physically separate drug-dependent persons from drugs; we must separate them psychologically as well.

In some ways, that means a reprogramming of the way they think, which will translate into their behaviour. Treatment and rehabilitation will be planned individually for each offender in the program: it will be tailor-made for the specific needs of each person. A multidisciplinary team based at the new centre will perform comprehensive individual assessments of each offender ordered into the program, covering their criminal history, drug history, health, socioeconomic deficits, family situation, antisocial thinking, and so forth. Compulsory drug treatment personal plans will be prepared on the basis of these assessments, setting the conditions of each offender's treatment and rehabilitation program.

The centre will have access to staff from a wide range of disciplines. Medical treatment for program participants might cover such areas as drug dependence, for example, physical withdrawal, phasing out of

existing pharmacotherapies, and random and periodic urine testing; physical health, for example, infectious disease screening and treatment, screening and treatment for liver disease, particularly hepatitis C, and vaccination; oral health, which is extremely important because drugs may be used as a form of pain relief by some offenders with poor dental health; and mental health. Other treatment and rehabilitation might cover drug and alcohol counselling, cognitive behavioural programs, and social skills such as communication and anger management, family relationships, literacy and numeracy, preparation for job market, management of debt and management of leisure time. It covers that broad ambit of areas that in some way interact with each other. Often people who fall into drug use do not have the educational and employment opportunities that many of us have.

The compulsory nature of the program is not dependent on any forced medical or other drug treatment. Treatment will be compulsory in the sense that the offender's consent is not required before they are ordered into the program. Offenders will be obliged to adhere to their compulsory drug treatment personal plans. A system of sanctions and rewards will operate for compliance with the plan. The legal framework for the program has been designed in recognition that many offenders in the target group may be resistant to treatment initially, and it will take time to build their motivation to reform and become actively engaged in the program. Offenders at the centre are expected to gain maximum benefit from their isolation from mainstream prisoners. The Senior Drug Court Judge has suggested that the aim should be to create a therapeutic community at the centre. In this way offenders helped by their peers will be encouraged to increase their motivation and focus on the treatment and rehabilitation.

Treatment will be primarily abstinence based for all stages of the program. This philosophy will be reflected in the assessment tools that will be developed by the Department of Corrective Services and NSW Health for assessing offenders in the program. But there may be a short period to phase out existing medication during stage 1 when an offender already on a pharmacotherapy substitution program first enters the centre. If there is evidence of clinical need, offenders may be placed on pharmacotherapies for a period. It is anticipated that any substitution therapy at the centre will, at all times, be designed as a pharmacotherapy reduction program. Offenders in the program will be under close judicial supervision. The Drug Court is expected to play an important role in building offenders' motivation and encouraging them to make the most of their individual therapeutic program. The Drug Court will approve each offender's compulsory drug treatment plan and variations or updates to the plan, monitor offenders' progress, and decide when offenders are ready to progress to the next stage of the program.

Offenders will be subject to intensive case management supervision. There will be continuity of care for offenders in the program during all three stages. A range of agencies will be required to co-operate in the care of the offender. There will be a strong focus on the provision of support when offenders are released from the centre, to prevent them from going back to drugs and crime. This will include support in accessing housing, health services, and employment as well as education, cognitive behaviour, and drug and alcohol programs in the community. I am advised that detailed planning for the assessment, treatment and rehabilitation of offenders in this program is now under way by relevant New South Wales agencies. This planning includes the development of assessment tools for Drug Court eligibility assessments and comprehensive individual assessments of offenders at the centre, and arrangements for the detoxification of offenders who might need this service.

The planning also includes a protocol between the Drug Court and the Department of Corrective Services on the preparation and approval of personal plans and variations to them; a policy on the stages of the program and criteria for progression; case management guidelines covering the roles and responsibilities of agencies at each stage of the program; a case management database; protocols with other agencies, for example the Department of Housing, Centrelink and area health services, on the delivery of services to offenders on the program; and arrangements for delivering post-program support. I am advised that the proposed evaluation of the program by the New South Wales Bureau of Crime Statistics and Research will include a consideration of the cost effectiveness of the program in improving the health and social functioning of participants. From its inception right through to its conclusion we can see a very close linking of appropriately designed and tailor-made services. But we will not just leave it there: we will ensure that it is continually evaluated. Hardworking taxpayers that are spent on these programs will ensure that this is the most cost-effective, but humane, way of administering this unique and progressive process.

I am advised that the New South Wales Bureau of Crime Statistics and Research will be intimately involved in the program to ensure that the links work effectively. I hope to see good results based on the Government's allocation of significant resources to the program and the commitment already demonstrated by key players, such as the Drug Court, the Department of Corrective Services, and New South Wales Health. This

program will benefit not only drug-affected people but also their families, their loved ones, and our neighbourhoods and communities. The bill represents a big win for everyone but, most important, it shows that the State Labor Government under the leadership of the Premier is prepared to put in place very progressive legislation. I am very proud to be part of a government following this course of action. I commend the bill to the House.

Mr BOB DEBUS (Blue Mountains—Attorney General, and Minister for the Environment) [12.40 p.m.], in reply: I thank honourable members for their contributions to the debate on the Compulsory Drug Treatment Correctional Centre Bill and for the level of support and interest they have indicated. The enactment of this bill will be a significant step toward setting up Australia's first compulsory drug treatment correctional centre. The Government plans to open the centre as a discrete secure wing at the Parklea Correctional Centre at the end of next year.

While the shadow Minister for Justice may even sincerely believe that this initiative was his idea, what the Government is actually proposing is far more than the drug-free gaol that the member has advocated in the past. The differences between the two proposals are quite decisive. The Government's program is not just about physically separating people from drugs: the aim is to achieve lasting change for the State's most desperate repeat criminal addicts by dealing with them psychologically and socially. They will live in a therapeutic community at the centre and will be isolated from mainstream offenders. The focus of the program will be on increasing their motivation to reform and engage actively in drug treatment and rehabilitation. In the case of many offenders, that probably will be their first such experience.

Compulsory drug treatment personal plans will set out a blueprint for stabilising offenders' physical and mental health while addressing their drug dependency and helping them to acquire other skills and experiences to build proper lives. They will be dealt with as whole people, not just by treating their drug dependency but also by dealing comprehensively with other problems that might be leading them to offend and indeed to maintain their drug habit. It is well established that a realistic expectation of people changing their drug habits can be maintained only if in the first instance they can be persuaded to change the psychological circumstances that led them to their addiction in the first place.

This scheme is not a get-out-of-gaol-early card for offenders, as the shadow Minister has suggested. That is simply not the case. During stages two and three of the program, which involve semi-open detention and community custody, significant efforts will be made to reintegrate offenders into the community under intensive case management supervision and judicial oversight. During these stages, there will be a higher level of follow-up care to prevent offenders from returning to drugs and crime. That support will continue beyond parole. There will be random, periodic and targeted drug testing of all offenders during all three stages of the program. The frequency of drug testing will be more intensive under this program than it is for regular inmates. The present policy of the Drug Court includes a minimum testing frequency of two to three times per week, and that will be used as a guide for drug testing standards that will be set for this program in regulations.

As my colleague the Special Minister of State told the other place, this program completes the safety net put in place by the Government for offenders who are affected by a drug problem. The program is a vital addition to a suite of programs that has been developed by the Government in its approach to the problem of drug abuse, which so pervasively affects contemporary society and currently plays such a dominant part in patterns of offending behaviour. The safety net begins with initiatives such as the Magistrates Early Referral Into Treatment Program, which is a form of early intervention targeting lower level offenders and operates as a condition of bail. There is also the Drug Court program, which is aimed at more serious offenders who are facing imprisonment but have demonstrated some willingness to reform. The next level involves a comprehensive set of programs within the New South Wales correctional system. These are administered by the Department of Corrective Services and the Corrections Health Service.

In response to some of the misinformation provided during debate in the Legislative Council, I will provide some detail about those programs. I am advised by the Minister for Justice that an extensive drug-testing regime applies to all inmates. The regime includes random urinalysis samples taken from a selected 5 per cent of inmates every month, targeted urinalysis testing of any inmate who is suspected of using drugs, and monthly testing for the presence of drugs and/or alcohol for inmates on external leave programs. The Department of Corrective Services is continually exploring new technologies for detecting drugs. It is planning to trial oral drug testing by the use of saliva in drugs treatment wings at Emu Plains and Long Bay correctional centres.

Intelligence officers have been placed by the Department of Corrective Services in most correctional centres to gather information regarding trafficking or smuggling of contraband. There is also an extensive searches policy. I am advised that in 2003 more than 14,000 searches of cells and correctional centres were undertaken and 12,500 searches were made of inmates. The Department of Corrective Services also conducted 45,000 searches of visitors and 1,700 searches of vehicles on its property last year. Random and targeted searches of staff are also conducted. Drug dog detection teams conduct regular screenings at a number of centres.

On the treatment side, detoxification is provided to all prisoners who are experiencing symptoms of drug and alcohol withdrawal. Specialist detoxification units are located at correctional centres in Bathurst, Grafton, Parklea and the Metropolitan Remand and Reception Centre [MRRC] at Silverwater. Another unit will be located in the new prison centre that is presently under construction at Kempsey. Methadone, buprenorphine and naltrexone are provided to inmates in the pharmacotherapy stabilisation program. Ninety alcohol and other drug workers are employed across correctional centres in New South Wales to provide counselling and other programs that are aimed at addressing drug and alcohol abuse. Some programs are aimed at indigenous inmates and inmates from non-English speaking backgrounds. Drug treatment wings have been set up at four correctional centres in response to the Drug Summit to address intensive alcohol and other drug problems. They are at Long Bay, Cessnock, Emu Plains and Parklea. Their focus is largely on pre-release and transition and they provide inmates with necessary skills to reduce the chance of reoffending.

In regular prisons, drug treatment is voluntary. After all, imprisonment alone comprises the sentence. There is no compulsion attached to existing treatment and rehabilitation in prisons, nor to continuing those programs once they are commenced. The Compulsory Drug Treatment Program that the Government is introducing represents a tough new approach that will link the incarceration of offenders to their court-ordered treatment. It will complement the significant efforts I have just described that are already being made to deal with offenders' drug problems through the State's justice and correctional systems. The Compulsory Drug Treatment Program will be evaluated during its first four years of operation. This legislation will provide the legal framework for the new program and allow detailed operational planning to continue over the next 18 months. I reiterate my thanks to honourable members for their support for this very significant bill, and I commend it to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

CRIMES AMENDMENT (CHILD NEGLECT) BILL

Second Reading

Debate resumed from an earlier hour.

Mr BRAD HAZZARD (Wakehurst) [12.49 p.m.]: The Opposition has indicated in another place that it will not oppose this bill. The Hon. John Ryan addressed the issues in the Legislative Council, but I will place on record a few of the Opposition's concerns. At the outset I note that this bill addresses three major issues and purports to amend the Crimes Act. This represents the Government's attempt to protect children in this State. The Crimes Act is amended to modernise the language used in section 43, to create section 43A, and to effect consequential changes to section 44. Child abuse and the protection of children in New South Wales are very significant issues that have been addressed by both sides of the House. However, the Carr Government has failed to properly protect children. Who could forget some of the idiotic debates of the past few years when former Minister Faye Lo Po' was reduced to simplistic commentary in regard to child protection. I remember her efforts at "three strikes and we will take the child off you". That approach demonstrated that the Carr Government had no real concept of how to adequately protect New South Wales children from abuse. Minister Lo Po' has gone and fortunately the then director-general, Carmel Niland, has also gone.

The Opposition was hoping that there would be a new broom, we were hoping for some substantive change. In fact, in the past 18 months or so since those changes, we have had little more than a change in rhetoric and an attempt by the Carr Government to rewrite history. Yesterday the Premier told the House complete untruths about Coalition policy on child protection issues. The Premier's current mantra is that the Coalition was not supportive of the additional resources that, in theory, are going into child protection in New South Wales. The truth is that the Premier has been quite mendacious in his approach to this issue; he cannot

help himself. In attempting to rewrite history he lied about the Coalition's position on extra resources for the Department of Community Services.

During the last three years of the Carr Government's second term, the Government denied that there were any problems with the protection of children in New South Wales. I was the shadow Minister at that time, and the Opposition had consistently and continually raised issues on behalf of families, relatives, and friends of children who were at risk of harm. The Government denied that there was any problem in the Department of Community Services and denied that there was a failure to respond to reports of child abuse.

However, over 18 months to two years the Coalition presented to Parliament a series of horrific examples of children being harmed or indeed dying as a result of failure by the Department of Community Services to intervene following reports of child abuse. The net result was a new public awareness, a growing public awareness, of the problems and risks to children in New South Wales who were reported as being at risk of harm. The problems were directly sheeted home and were absolutely related to a failure by the Government to properly resource the department.

At that time the Coalition drove the agenda for a major public inquiry. In fact, we asked for a royal commission, but the Government refused because it did not want to hang out its dirty washing. Eventually the Government rolled over and took the classic Premier Carr approach that "We have always wanted to do this, and we will have an inquiry." The inquiry, of course, was then managed and manipulated by Jan Burnswoods in the upper House. Whenever the Government needs to make sure that information does not reach the public, it involves Jan Burnswoods. The upper House held an inquiry that, even with Jan Burnswoods' masterful craftsmanship of manipulating the truth and protecting the Government—as recently evidenced in the Standing Committee on Social Issues inquiry into Aboriginal matters in Redfern—resulted in a recommendation for additional resources.

The Carr Government then appointed Gabrielle Kibble to chair another committee to inquire into what resources were necessary. Every step of the way the Government had to be dragged kicking and screaming to deal with this problem. Finally, it announced that there would be additional resources. I think the figure was \$1 billion, but over a period of 10 years. I have been told that as at today those resources have not gone into child protection in New South Wales. The same diabolical situation pertains in which the chances of a report of a child at risk of harm being investigated are less than one in ten. The Public Service Association [PSA] was very supportive, until just before the recent election when Maurie O'Sullivan could not help himself from taking his normal allegiance with the Carr Government.

At least in those two years the PSA carried out its duties appropriately, and actually fought on behalf of caseworkers. To its credit, it asked for more resources. The PSA honestly presented the problems that were facing its workers. At the heart of the problem of child abuse in New South Wales is a failure by the Carr Government to provide the resources needed to protect our children. Time and again I hear the Premier waffle on about the Coalition not wanting to put dollars into child protection. That frustrates me, because it emphasises the cynical approach of the Carr Government to most of these issues. The truth is that the Coalition was demanding an inquiry and had indicated before the Carr Government said anything about additional resources that it would allocate hundreds of millions of dollars towards additional resources.

The Coalition said also that we needed to find out what was systemically wrong with the Department of Community Services before we simply threw money at it. In other words, we were talking about outcomes. We wanted to establish the outcomes in regard to protecting children rather than simply throwing money at the problem. That message came clearly from a number of experts in the area. Representatives from the PSA also gave evidence before the committee chaired by Jan Burnswoods and they said there was no point in throwing money at the problem until the department was sorted out. The classic, cynical, arrogant, Carr Government response was to announce that it would throw money at the problem—but there has been no improvement in outcomes.

The bill has not been well thought through and the Government has not properly consulted the community in relation to it. Professor Patrick Parkinson was one of the original architects of the Children and Young Persons (Care and Protection) Act. I do not know why the Government continually fails to listen to his wise words and why it fails to properly consult him. I wish to place on the record some of the concerns that Professor Patrick Parkinson has in regard to the Crimes Amendment (Child Neglect) Bill in the hope that the Government considers his words when it makes further amendments to the legislation. Professor Parkinson states that he is pleased that the Government is updating some of the archaic language in the Crimes Act, a

concern that is shared by members of the Liberal Party and The Nationals. However, we say that the Government has not yet got it right. In regard to section 43 Professor Parkinson states:

The Government's proposed amendment replaces the word 'unlawfully' with the words 'without reasonable excuse' and makes certain other changes. However, no change is proposed to the language of abandoning and exposing.

He then refers to the exposing of children and to the use of the word "expose" in the legislation, which is a source of concern. I do not think the Government has properly addressed that issue. Professor Parkinson states:

The word "expose" remains archaic. Its connotation is of infant children being left to the mercy of elements in the cold winters of the northern hemisphere, with the intention or expectation that they will die. There is a potential difference between abandoning and exposing, for a defence could be raised that the defendant did not intend to abandon the child for good. That would not be a defence to a charge of 'exposing'. However, I think Parliamentary Counsel should be asked to come up with another word or phrase which captures the intent of the verb "to expose" in more modern and accessible language.

The Opposition supports that view and asks the Government to consider introducing further amendments to the legislation. I understand that the Government is keen to get this bill through the House before Parliament rises for the winter recess. Perhaps it should be left on the Government's agenda. The Attorney General might have a look at it over the break and establish whether more good work could be done to replace the archaic language in the Crimes Act. Professor Parkinson deals next with the significant issue of the age of children and states:

The offence remains confined to children under 7 years of age.

The Opposition shares the concerns expressed by Patrick Parkinson that maintaining that age of seven is a little out of touch with reality. This legislation does not address children under the age of seven who have mental illnesses or physical disabilities. I ask the Minister to address that issue in due course. I do not believe it has been addressed in the bill. Patrick Parkinson states:

The reason historically the offence was confined to young children is no doubt that the danger of abandonment or exposure arises because the children cannot go and get help for themselves. The danger to the child from such actions diminishes with age. However, there may be situations of profound intellectual or physical disability where the child over the age of 7 is exposed to much the same level of risk through abandonment as an older child. A quadriplegic child may have no greater capacity to get help than an infant, other than by calling out. I cannot see why the offence should not be made applicable to a child of any age.

As I said earlier, the Coalition concurs with that view. The community is concerned about another topical issue: what happens to people who steal cars with babies left in car seats. Clearly parents should not be doing that but, as they are busy people, they sometimes do not think as well as they should do about the care of their children. I am not suggesting that they do not love their children, but they do not stop to think these issues through. They hop out of their cars for a brief moment and the next thing they know is that their cars with the children in the back seats have gone. Patrick Parkinson makes reference to a parent parking a car and to an opportunistic thief taking the car.

If a bystander saw the car being taken he or she could ring the police, who could then initiate a search as a result of that bystander's report rather than the report of the parent. Clearly, it would not have been the intention of the thief to take the child. In all likelihood it would not be his intention to abandon the child when he eventually leaves the car on the side of the road and hotfoots it away. However, the consequences could be devastating for a child. The police might initiate a pursuit without knowing that a child was in the back seat of the car. The thief might leave the car and the police might pursue him on foot. On returning to the car the police might then discover a child in the back seat of the car and, in Sydney's summer weather, that child might be dead. Patrick Parkinson states:

Arguably in this circumstance the car thief has not intentionally abandoned the child. Nor has he "exposed" her [or him] since the harm to the child occurs from being *enclosed* [in the car] not from being *exposed*. He is nonetheless culpable because he should have given himself up immediately with the baby rather than trying to outrun police.

I am not sure whether the Attorney General would not want that to be a consequence. The thief who took the car should not be able to avoid the consequences of this legislation. That is a serious issue. Next summer cars will be stolen and yet another baby or young child who is in the back seat of one of those cars will be caught in the theft. I hope children caught up in those circumstances will not be harmed, but they might be. The bill should address that serious issue. I hope that in due course the Attorney General will get his department to introduce further amendments to the legislation. Professor Parkinson then refers to section 43A and states:

The new section, in contrast to s.228 of the Children and Young Persons (Care and Protection) Act 1998, is confined in its operation to persons who have parental responsibility. This is wider than the term parent, but excludes de facto caregivers.

The sort of people to whom he is referring are casual caregivers who look after a child on behalf of a parent, for example, a de facto partner or a mother's boyfriend who plays some role or who is involved in looking after a child. I quote again from Patrick Parkinson, who states:

Of course, many instances of serious neglect would involve the parent as well as a new husband or de facto, but it would be anomalous if a parent could be convicted of an offence under the Crimes Act when an equally culpable partner could only be charged with a lesser offence.

It would also be a problem for a casual caregiver, for example, a foster carer. In those circumstances, technically the Minister is the person who holds parental responsibility for the child. It would be ridiculous if foster carers, relatives or a mother's boyfriend who cares briefly for a child are not dealt with appropriately under the Act. I refer next to section 44 and again quote from Patrick Parkinson's letter, which states:

There seems little point in amending this section to delete the words "child" and "ward" without reviewing whether the section as a whole continues to be needed. With the Government's proposed amendments, section 44 would then read ...

Whosoever:

Being legally liable to provide any wife, apprentice, or servant or any insane person with necessary food, clothing, or lodging, wilfully and without lawful excuse refuses or neglects to provide the same, or

Maliciously does, or causes to be done, any bodily harm to any wife, apprentice or servant, or to any insane person

so that, in any such case, his or her life is endangered, or his or her health becomes or is likely to be seriously injured, shall be liable to imprisonment for five years.

Professor Parkinson made this point:

I think the Government should decide whether to repeal the whole section. Prosecutions for bodily harm can be brought under other sections, and the remaining provisions would appear to be based on social conditions and legal obligations that have long ceased to exist in Australia. There may be a need still to look at obligations to those who, as a consequence of intellectual disability or mental illness, are under the legal guardianship of another, but that is a matter best dealt with in guardianship legislation, if it is not covered already.

I conclude with those comments, which I ask the Government to consider in due course. The Premier has displayed a level of arrogance that has become the hallmark of his Government. Yesterday the Premier moved to the cynical phase: he is not only arrogant, he is now cynical. The Government should not approach the protection of children from child abuse in that way. I heard the Premier's cynical and ridiculous reappraisal of what he is or is not doing and what the Coalition did or did not say in relation to the funding of child abuse prevention. The Premier will find the staff at the children's Helpline are not getting through the workload. Literally thousands upon thousands of reports of child abuse in New South Wales are ignored; they receive no response under this Government. Children remain at risk. Level one reports are supposed to receive a response within 24 hours, and there is no chance of a response to levels two and three reports.

Cases are not being referred for support services. There are not enough caseworkers to fill the vacant positions. There are all sorts of games going on in the department to make sure that positions are not filled so that the department does not overrun its budgetary limits. Yesterday the Premier lied about what he is doing in relation to child protection, which should be above politics. The Premier should get on with it and do what needs to be done. I am sure the Attorney General would not support the attitude taken by the Premier. I ask him to look in due course at the other issues raised by the Opposition and perhaps discuss them with Professor Patrick Parkinson, who is well regarded in relation to child protection, to determine what other action can be taken to make the lives of children in New South Wales that much safer.

Debated adjourned on motion by Ms Virginia Judge.

[Mr Acting-Speaker (Mr John Mills) left the chair at 1.03 p.m. The House resumed at 2.15 p.m.]

DISTINGUISHED VISITORS

Mr SPEAKER: I acknowledge the presence in the public gallery of Mr M. K. Sivajilingam, member of Parliament for the Jaffra electoral district of the Parliament of Sri Lanka, and accompanying members of the Tamil Community, who are guests of the honourable member for Strathfield.

PETITIONS

Autism Spectrum Disorder

Petition requesting additional support for children affected by Autism Spectrum Disorder in all educational settings in New South Wales government schools, received from **Mr Daryl Maguire**.

Wagga Wagga Electorate Schools Airconditioning

Petition requesting the installation of airconditioning in all learning spaces in public schools in the Wagga Wagga electorate, received from **Mr Daryl Maguire**.

Mature Workers Program

Petition requesting that the Mature Workers Program be restored, received from **Ms Clover Moore**.

Skilled Migrant Placement Program

Petition requesting that the Skilled Migrant Placement Program be restored, received from **Ms Clover Moore**.

Gaming Machine Tax

Petitions opposing the decision to increase poker machine tax, received from **Mr Andrew Fraser**, **Mr Chris Hartcher**, **Mrs Judy Hopwood**, **Mr Daryl Maguire**, **Mr Steven Pringle** and **Mr Andrew Tink**.

Luna Park Development Application

Petition opposing the latest development application for Luna Park, received from **Mrs Jillian Skinner**.

Topdale Road Upgrade

Petition requesting the upgrading and sealing of Topdale Road, received from **Mr Peter Draper**.

Coffs Harbour Pacific Highway Bypass

Petition requesting the construction of a Pacific Highway bypass for the coastal plain of Coffs Harbour, received from **Mr Andrew Fraser**.

Alpine Way Upgrade

Petition requesting funding to repair, upgrade and realign eleven kilometres of the Alpine Way between the State border at Bringenbrong Bridge and the beginning of Kosciuszko National Park, received from **Mr Daryl Maguire**.

Windsor Traffic Conditions

Petition requesting funding for construction of a bridge across the Hawkesbury River, from Wilberforce Road and Freemans Reach Road, connecting to the bridge into Windsor, and the rescheduling of the current roadworks program, received from **Mr Steven Pringle**.

Coffs Harbour Aeromedical Rescue Helicopter Service

Petitions requesting that plans for the placement of an aeromedical rescue helicopter service based in Coffs Harbour be fast-tracked, received from **Mr Steve Cansdell**, **Mr Andrew Fraser** and **Mr Thomas George**.

Hunter and New England Area Health Services Merger

Petitions opposing the merger of the Hunter Area Health Service and the New England Area Health Service, received from **Mr Peter Draper**.

Mental Health Services

Petition requesting urgent maintenance and increased funding for mental health services, received from **Ms Clover Moore**.

Mental Health Services

Petition requesting improvements to the mental health system, received from **Mr Adrian Piccoli**.

CountryLink Rail Services

Petitions opposing the abolition of CountryLink rail services and their replacement with buses in rural and regional New South Wales, received from **Mr Peter Draper, Mr Andrew Fraser, Ms Katrina Hodgkinson, Mr Daryl Maguire, Mr Andrew Stoner and Mr John Turner**.

Armidale and Moree Rail Services

Petition requesting continuation of CountryLink rail services from Sydney to Armidale and to Moree, received from **Mr Peter Draper**.

Broadmeadow to Newcastle Rail Services

Petition opposing the proposed closure of the railway line from Broadmeadow to Newcastle, received from **Mr Bryce Gaudry**.

State Forests

Petition opposing any proposal to sell State Forests, received from **Ms Katrina Hodgkinson**.

Hornsby Shire Rail Parking Facilities

Petition requesting additional commuter parking facilities at railway stations in the Hornsby shire, received from **Mrs Judy Hopwood**.

Country Rail Booking Offices

Petition opposing the closure of country rail booking offices, received from **Mr Daryl Maguire**.

Bus Service 311

Petition praying that the Government urgently improve bus service 311 to make it more frequent and more reliable, received from **Ms Clover Moore**.

Bus Service 300

Petition requesting improved bus services including expansion of the 300 series bus service to adequately serve the inner city, particularly during peak-hour travel, received from **Ms Clover Moore**.

Bus Service 352

Petition requesting extension of bus service 352 to operate on nights and weekends, received from **Ms Clover Moore**.

Murwillumbah to Casino Rail Service

Petitions requesting the retention of the CountryLink rail service from Murwillumbah to Casino, received from **Mr Neville Newell and Mr Donald Page**.

Newcastle Rail Services

Petition requesting the retention of Newcastle rail services, received from **Mr Milton Orkopoulos**.

Moree Rail Service

Petition requesting a daily CountryLink rail service from Sydney to Moree, received from **Mr Ian Slack-Smith**.

Armidale and Moree Rail Services

Petition requesting continuation of CountryLink rail services from Sydney to Armidale and to Moree, received from **Mr Richard Torbay**.

Homeless Services Funding

Petition requesting increased funding for homeless services, received from **Ms Clover Moore**.

Horticultural Industry Water Restrictions Assistance

Petitions requesting assistance for the horticultural industry to cope with water restrictions, received from **Mr Chris Hartcher** and **Mr Steven Pringle**.

Isolated Patients Travel and Accommodation Assistance Scheme

Petitions objecting to the criteria for country cancer patients to qualify for the Isolated Patients Travel and Accommodation Assistance Scheme, received from **Ms Katrina Hodgkinson** and **Mr Andrew Stoner**.

Water Carting Restrictions

Petition opposing the decision by Sydney Water Corporation to restrict the operating times for water carters and not allow Sunday cartage, received from **Mr Steven Pringle**.

Water Tank Subsidy

Petition requesting that the water tank subsidy be extended to rural residents of Baulkham Hills, Hawkesbury and Hornsby local government areas, received from **Mr Steven Pringle**.

Wagga Wagga Electorate Fruit Fly Control

Petition requesting funding for fruit fly control/eradication in Wagga Wagga, Lockhart, Holbrook and Tumbarumba, received from **Mr Daryl Maguire**.

Cat and Dog Meat

Petition requesting legislation banning the sale of cat and dog meat for human or animal consumption, received from **Ms Clover Moore**.

Sow Stall Ban

Petition requesting the total ban of sow stalls, received from **Ms Clover Moore**.

Pet Sales

Petition requesting a ban on the sale of pets from pet retail outlets, and that such sales be restricted to qualified registered breeders and pounds, received from **Ms Clover Moore**.

Hawkesbury-Nepean River System Weed Harvester

Petition requesting the purchase of a weed harvester for the Hawkesbury-Nepean river system, received from **Mr Steven Pringle**.

Alcohol Wet Centres

Petition requesting the establishment of wet centres in the inner city to provide a safe place for chronic drinkers, received from **Ms Clover Moore**.

BUSINESS OF THE HOUSE

Reordering of General Business

Mr ANDREW STONER (Oxley—Leader of The Nationals) [2.28 p.m.]: I move:

That General Business Notice of Motion (for Bills) No. 4 [Rural Communities Impacts Bill] have precedence on Thursday 24 June 2004.

It is important that the bill be debated in this House because the Government has made a raft of decisions, policies and budget decisions that have led to a disfranchising of rural communities around New South Wales. The genesis of the bill was my visit to the little town of Gwabegar in north-west New South Wales, which is at the end of a rail branch line that this lot, this Government, proposes to close. The community is totally dependent on the grains from that land, and its being transported via that branch line. It is totally dependent on a sustainable forest industry in the Pilliga State Forest, which this Government is now proposing to lock up in national parks.

As I was speaking to some of the local people of Gwabegar, and I looked at the pub that had been shut because its licence had been transferred to Sydney, and I looked at the devastation of that community, I thought to myself that in New South Wales there is legislation to protect threatened species, but there is nothing to protect communities threatened by this Government and its decisions. Among the list of decisions made by this Government that have threatened rural and regional communities throughout New South Wales are the forced local government amalgamations that have disfranchised communities, branch line closures that have devastated communities, and CountryLink services that are being closed down.

This Government has already closed the Casino to Murwillumbah rail line, and more rail lines are being targeted for closure. Some rail lines that are targeted include those in the electorate of the honourable member for Bathurst. On top of that, the Government has imposed a clubs tax, which will cost regional and rural New South Wales, 275 jobs in the Murray-Darling electorate and 827 jobs in the Tweed electorate. This Labor Government is ripping those jobs out of regional and rural New South Wales. It is about time legislation was passed to ensure that the decisions of this lot take into account the impacts they will have on rural and regional communities.

In 1996 the Premier promised that any major changes proposed by government departments in rural New South Wales would be subject to rural communities impact statements in the future. I will give him the chance to make good his promise. The people of this State have never had a rural communities impact statement from this Government. How can that be so, when the Government is making decisions as those in the budget? Over 700 jobs have been lost from the portfolio areas of Agriculture and Natural Resources, and the list goes on and on. [*Time expired.*]

Mr CARL SCULLY (Smithfield—Minister for Roads, and Minister for Housing) [2.31 p.m.]: The Leader of the Nationals is a dill. Earlier the Deputy Leader of the Opposition, the honourable member for Coff's Harbour and the honourable member for Davidson indicated that they were not prepared to have their matters proceed.

Mr SPEAKER: Order! I call the Deputy Leader of the Opposition to order.

Mr CARL SCULLY: The Leader of The Nationals moved to reorder general business so that General Business Notice of Motion (for Bills) No.4 would come on for debate first. Because three members indicated that Nos 1 to 3 will not proceed, No. 4 becomes the first motion to be debated. The Leader of The Nationals moved that his motion be debated first, and all I can say is: okay. The motion he moved is stupid and spurious. He is a complete idiot.

Mr Andrew Tink: Point of order: I remind the House that the only contribution made by the Minister who has just spoken to debates on private members' day is to move motions to cancel private members' days entirely.

Mr SPEAKER: Order! I call the honourable member for Epping to order.

Mr CARL SCULLY: I think I have established that the Leader of The Nationals is a dill.

Mr Andrew Stoner: Why did you take three minutes to figure it out?

Mr CARL SCULLY: I acknowledge the interjection.

Mr SPEAKER: Order! I rule the motion moved by the Leader of The Nationals out of order.

BUSINESS OF THE HOUSE

Reordering of General Business

Mr DONALD PAGE (Ballina—Deputy Leader of The Nationals) [2.34 p.m.]: I move:

That the General Business Notice of Motion (General Notice) given by me today [Casino to Murwillumbah Rail Services] have precedence on Thursday 24 June 2004.

My motion notes that last weekend the New South Wales Country Labor Conference called on the Carr Government to reinstate the Casino to Murwillumbah rail service. My motion should take precedence because it will give Country Labor members in particular the opportunity to support grassroots sentiments that were expressed at their own conference. It will give them the opportunity to say in this House what they said in Bathurst and to show that they are not tigers in their electorates and pussycats in Parliament. If my motion takes precedence, they will be able to support the Country Labor recommendation to reinstate the Casino to Murwillumbah rail service. If my motion takes precedence it will give the honourable member for Tweed, Neville Newell, the opportunity to state his position on the record and support thousands of people in his electorate who want the Casino to Murwillumbah rail service reinstated. By doing so, he will oppose completely the action taken by the Minister for Transport Services, Mr Costa.

Giving my motion precedence will give the honourable member for Tweed an opportunity to support the battlers in his electorate. I say that because 34 per cent of the people in his electorate have a family income of \$500 a week or less. The honourable member for Tweed should be supporting the battlers because they are the people who used to use the trains.

Mr SPEAKER: Order! I call the honourable member for Swansea to order.

Mr DONALD PAGE: The debate will also give the honourable member for Bathurst, who does not know that the sale of public assets is the same as privatisation, an opportunity to say in this House what he apparently said at the Country Labor Conference, which was held in his home town. If my motion is agreed to the vociferous members of Country Labor, the honourable member for Kiama, the honourable member for Monaro, the honourable member for Murray-Darling, and the Minister for Mineral Resources, who is the honourable member for Cessnock, will have an opportunity to stand up for the people of their electorates. [*Time expired.*]

Mr SPEAKER: Order! I call the honourable member for Murray-Darling to order.

Mr CARL SCULLY (Smithfield—Minister for Roads, and Minister for Housing) [2.37 p.m.]: The time has come to debate the Coalition's record of rail line closures in New South Wales. Government members want to debate this motion because we want to know about the rural impact assessments that the Coalition Government undertook when it closed all the wheat transportation rail lines and forced ever-increasing numbers of trucks to use the State's roads. The honourable member for Lachlan and the honourable member for Upper Hunter were members of that Government.

Mr Donald Page: Point of order: My point of order relates to relevance. The motion very specifically relates to the Casino to Murwillumbah rail line. It is not about CountryLink in general.

Mr SPEAKER: Order! The motion moved by the honourable member for Ballina is wide ranging. There is no point of order.

Mr CARL SCULLY: "He that is without sin among you, let him first cast a stone... ". Members of the Coalition are all sinners because for every two members of the Coalition, there has been a rail line closure, such as the Armidale service, the Griffith service, and the Broken Hill service.

Mr SPEAKER: Order! I call the honourable member for Murray-Darling to order for the second time.

Mr CARL SCULLY: The previous Coalition government closed rail lines right across New South Wales. When the Carr Government was elected there was barely a country rail line service open. The honourable member for Murray-Darling will confirm that the people of Broken Hill played *Waltzing Matilda* when the Broken Hill line was returned to service. If members of the Coalition want to debate this issue they should bring it on because I want to hear from the hypocritical members of the Coalition. I want them to tell us all about it. Shame on them!

Motion agreed to.

DISTINGUISHED VISITORS

Mr SPEAKER: I acknowledge the presence in the public gallery of the New Zealand Parliamentary Committee on Government Administration led by Chairperson Dianne Yates, MP.

MINISTRY

Mr BOB CARR: In the absence of the Minister for Mineral Resources, who is ill, the Minister for Gaming and Racing will answer questions on his behalf. Tomorrow afternoon I will attend the funeral of Jim Bacon, former Premier of Tasmania, to be held in Tasmania at 3.00 p.m. Unfortunately, I will be unable to attend question time and the Deputy Premier will answer questions on my behalf.

VARIATIONS OF PAYMENTS ESTIMATES AND APPROPRIATIONS 2003-04

Mr Craig Knowles, by leave, tabled variations of the payments estimates and appropriations for 2003-04 under section 24 of the Public Finance and Audit Act 1983, flowing from the amalgamation of the former Environment Protection Authority, National Parks and Wildlife Service and Resource NSW into the Department of Environment and Conservation.

Mr Craig Knowles, by leave, tabled variations of the receipts and payments estimates and appropriations for 2003-04 under section 26 of the Public Finance and Audit Act 1983, arising from the provision by the Commonwealth of specific purpose payments in excess of the amounts included in the State's receipts and payments estimates (MIA Rural Partnership and Rural Assistance Authority).

Mr Craig Knowles, by leave, tabled variations of receipts and payments estimates and appropriations for 2003-04 under section 26 of the Public Finance and Audit Act 1983, arising from the provision by the Commonwealth of specific purpose payments in excess of the amounts included in the State's receipts and payments estimates (National Action Plan on Salinity and Water Quality and Department of Infrastructure, Planning and Natural Resources).

Mr SPEAKER: Order! I call the honourable member for Baulkham Hills to order.

PUBLIC ACCOUNTS COMMITTEE

Report

Mr Matt Brown, as Chairman, tabled report no. 146, entitled "Annual Review 2002-2003", dated June 2004.

Ordered to be printed.

QUESTIONS WITHOUT NOTICE

SOUTH WESTERN SYDNEY AREA HEALTH SERVICE INQUIRY

Mr JOHN BROGDEN: My question is directed to the Minister for Infrastructure and Planning, and Minister for Natural Resources. As the Hon. John Clarke, QC, a retired judge of the New South Wales Court of Appeal, has been appointed to the Independent Commission Against Corruption as an Assistant Commissioner to investigate corruption at South Western Sydney Area Health Service and across the New South Wales Department of Health, has the Minister been interviewed in relation to his behaviour as Minister for Health?

Mr CRAIG KNOWLES: I am always happy to assist any inquiry into those matters.

STATE BUDGET

Mr STEVE WHAN: My question is addressed to the Premier. What is the latest information on, and the regional response to, yesterday's budget?

Mr BOB CARR: There was no question from the Opposition about yesterday's budget. That is remarkable. Twenty-four hours later and those opposite have no complaints, no questions, no follow-up and no criticism. It is little wonder, when we look at the response from rural New South Wales. It is as if yesterday's message went out.

Mr SPEAKER: Order! I call the honourable member for Bathurst to order.

Mr BOB CARR: Some 26 per cent of the population will receive 36 per cent of government funding in non-metropolitan New South Wales. It is little wonder that even Opposition backbenchers—tigers in their own electorates—were persuaded to praise the budget. They can fasten their seatbelts and wait for the exposé—we will get to them. If we look at the budget responses we can see why the Leader of the Opposition did not ask a question today on the budget. Standard and Poor's Ratings Services said today that, despite the New South Wales budget turning into deficit in fiscal 2005, the State's triple-A rating is not compromised. Why? It is because of \$9 billion in debt retirement that will secure our future. What was the reaction from business? The Managing Director of Australian Business Limited, Mark Bethwaite, said that the \$30 billion program over four years would inject much-needed funds into health and education facilities, as well as roads and railways.

Mr John Brogden: But no tax reform.

Mr BOB CARR: No. He said this: "Businesses would be pleased the Government had maintained its mini-budget quarantine on increases in business taxes". That is what he said—although the Leader of the Opposition might have hoped that he said something else. The Leader of the Opposition is missing the three staff who walked out on him last week. The research effort is not too good; they are obviously not contributing now that they have put in their resignations. What did the New South Wales Farmers Association, a most reputable and independent-minded group, say? This is hot off the wires. It said:

The NSW Farmers' Association is generally content with the NSW budget, in particular the extra \$38 million, which is a good start to assist irrigators in returning over-allocated water to sustainable levels.

Those opposite over-allocated it when they were in government.

[Interruption]

It was all of Wal Murray's licences. Some 1,000 per cent of the river flow was handed out. The State Chamber of Commerce—

Mr Andrew Tink: Point of order—

Mr SPEAKER: Order! I remind the honourable member for Epping that he has already been called to order during this session because of the way in which he took a point of order. What is the point of order?

Mr Andrew Tink: My point of order is relevance. The question related to the rural and regional response to the budget. The rural and regional response in New Zealand is that they have come over here to get property investors like the Premier to go to New Zealand—

Mr SPEAKER: Order! The honourable member for Epping will resume his seat.

[Interruption]

Mr SPEAKER: Order! I place the honourable member for Epping on three calls to order. He will resume his seat.

[Interruption]

Mr SPEAKER: Order! I have placed the honourable member for Epping on three calls to order. If he behaves in that way again I will direct that he be removed from the Chamber.

Mr BOB CARR: The honourable member for Epping used to be quite a credible performer. Now we have to say, at best, he is half insane—but he served a purpose.

Mr SPEAKER: Order! The honourable member for Lachlan will come to order.

Mr BOB CARR: I was talking about Standard and Poor's, Australian Business Limited and the New South Wales Farmers Association—I thought they represented part of rural New South Wales. But the honourable member for Epping brings me back to the subject of the carefully researched question, which is about the country response to the budget. You cannot get more country than Albury. I am almost embarrassed by the terrific press the budget has received in Albury. The *Border Mail* had statements such as "State pumping \$100m in Albury", "Hospital, roads to be main winners", "Roads to be the big winner", and "Region does well in State Budget". At moments like this we say thank God for the independent-minded country editors. A headline in the *Newcastle Herald* stated that "Health gets record share".

[Interruption]

Well, what about Dubbo? The headline is "Health and roads big-ticket wins", and that came from a paper called the *Daily Liberal*, not the Labor Daily. Here is Prince Mishkin back again.

Mr Andrew Stoner: Point of order: My point of order is relevance. The Premier may not have a full set of regional coverage. In Wagga Wagga the *Daily Advertiser*—

Mr SPEAKER: Order! There is no point of order. I place the Leader of The Nationals on two calls to order.

Mr BOB CARR: Earlier this genius protested that it took us three minutes to find out that he was a dill. Of all the interjections ever made in this House that would be the most priceless.

Mr SPEAKER: Order! I call the Leader of The Nationals to order for the third time.

Mr BOB CARR: The *Northern Daily Leader* stated "MPs satisfied with electorate spending". From the *Western Advocate* in Bathurst came the headline "Health services win".

Mr SPEAKER: Order! I call the honourable member for Coffs Harbour to order.

Mr BOB CARR: In Clarence there was a headline about a "Clarence boost" to health, roads, Grafton TAFE, Northern Rivers health, Grafton bridge study, and a Maclean fire engine. They were very pleased with the budget.

Mr SPEAKER: Order! The honourable member for Bathurst will come to order.

Mr BOB CARR: In Griffith the newspaper spoke about a "Budget boost for law, health". The honourable member for the South Coast is reported in her local paper as saying that her area got some great news, and Milton primary school got some very fine news with stage two of its redevelopment appearing in the

budget. That is great; we do not often get that kind of endorsement. To have that generosity of spirit from someone on the other side of Parliament is always refreshing, and it shows that the partisan divisions are not what they are often cooked up to be.

Mr SPEAKER: Order! I call the honourable member for South Coast to order.

Mr BOB CARR: This is a well-researched question. We are a government for everyone, a farmers-workers alliance. That is how I see us—like the Democratic Farmer Labor Party of Minnesota.

Mr SPEAKER: Order! I call the honourable member for Coffs Harbour to order for the second time.

Mr BOB CARR: That is not the limit of it, we are talking about cross-party endorsement. The honourable member for Murrumbidgee was positively rhapsodic.

Mr SPEAKER: Order! The honourable member for Murrumbidgee will cease interjecting.

Mr BOB CARR: He accused a person of substance abuse, but that is something they will have to settle between them. I think the honourable member for Murrumbidgee was sober minded when he said that in the budget there are funds for the Griffith police station, for the Aboriginal outstation and for the redevelopment of the Griffith Base Hospital emergency department, and they are welcome comments.

Mr SPEAKER: Order! The honourable member for Murrumbidgee will cease protesting.

Mr BOB CARR: He further said that money will keep flowing. The House will appreciate that I am not using these papers as props, because that would offend the standing orders. I am just fondling these papers in a very friendly fashion. I am not for a moment holding them up as props.

Mr SPEAKER: Order! I call the honourable member for Murrumbidgee to order.

Mr BOB CARR: This is all wonderful news and shows that—

Mr Brad Hazzard: Point of order—

Mr SPEAKER: Order! I am pleased to welcome the honourable member for Wakehurst back to the Chamber. However, if he persists with his present behaviour he will not be here for long.

Mr Brad Hazzard: Mr Speaker, I am sure you will exercise impartial judgment on the fact that I am simply fondling a "Budget Hocus-Pocus" newspaper headline in the bipartisan spirit that I am sure you would want.

Mr SPEAKER: Order! I will not on this occasion. I call the honourable member for Wakehurst to order.

Mr Brad Hazzard: It shows that the Premier belongs in a Harry Potter book.

Mr SPEAKER: Order! There is no point of order.

Mr BOB CARR: That is right, I am a magician. I make things happen like magic. I plead guilty.

Mr SPEAKER: Order! I call the honourable member for Wakehurst to order for the second time.

Mr BOB CARR: A white pigeon will appear from here, the rabbit from out of a hat. But the fact is that such a happy broad consensus in the newspapers is reassuring and reminds us of the viability of the free press in New South Wales. That is not something to deplore. We do not want monolithic uniformity in the media. We want a diversity of views, because that reminds us that we are a democracy. The message is that 26 per cent of the population have 36 per cent of the funding. That is appreciated by people and by communities who value that support. Labor's tenth budget, framed in tough circumstances, stands up to the scrutiny it received. Today's coverage is proof, and again I commend the budget to the House.

MINISTERS POST-SEPARATION EMPLOYMENT GUIDELINES

Mr ANDREW STONER: My question is directed to the Premier. Given that the Premier promised to make an announcement on post-separation employment guidelines for his Ministers before the last election, why is it that 16 months later we still have no such guidelines, particularly given the corruption findings by the ICAC against the Government's former Minister Richard Face?

Mr BOB CARR: No question on the budget! They will not talk about the budget, not a quibble about the budget—unless I misconstrued this question as raising the ICAC budget funding. Not a question on the budget, or hospitals or education, with all that money flowing to rural New South Wales. Prince Mishkin asked the question and here is my answer: Because there was an ICAC inquiry into this very question, and we wanted to see its recommendations.

Mr SPEAKER: Order! The Leader of The Nationals will listen to the Premier in silence.

Mr BOB CARR: The Government has noted the ICAC findings in relation to former Minister Face, and it is now a matter for the Director of Public Prosecutions to decide whether further action should be taken. The ICAC has made recommendations in relation to post-separation employment and improving the understanding of the ministerial staff of ministerial entitlements. That will be carefully considered by the Government.

Mr SPEAKER: Order! I call the honourable member for Upper Hunter to order.

Mr BOB CARR: I did not want to remind the House of the consultancy work that his Leader had while he was doing much in Parliament.

Mr SPEAKER: Order! The Leader of the Opposition will come to order.

Mr BOB CARR: That was before any separation had been made, it was before the Deputy Leader of the Opposition got up to his dirty work—and, by the way, the Deputy Leader is looking trim and fit. Having wrecked the exercise equipment in the parliamentary gym, he has turned his attention to that in the New South Wales Leagues Club, and we wish him better luck there. He is a model of diet and fitness that all members should observe and applaud. As I have indicated before, work has been done on post-separation employment by the Cabinet Office and that will be reviewed.

[Interruption]

He did business as a consultant while he was a member of Parliament, and was actually paid for it. There was nothing post-separation about it; it was very much pre-separation. The New South Wales Government also notes the ICAC's recommendations to improve accountability in relation to the entitlements of members of Parliament. It is a matter for the administration of Parliament to carefully consider those recommendations.

HOSPITAL BED NUMBERS

Mr PAUL GIBSON: My question without notice is addressed to the Minister for Health. What is the latest information on the Government's strategy to open more hospital beds this winter?

Mr MORRIS IEMMA: Yesterday's budget confirmed that there has been a massive \$700 million increase in funding for health over the coming financial year. A key component of that additional \$700 million is to fund the Government's sustainable access plan. The Government backed that plan with \$57 million in yesterday's budget to be spent on measures designed to reduce access block. The sustainable access plan will maximise available hospital beds by streamlining a patient's journey through the health system. Most importantly, the plan involves increasing the number of hospital beds. That plan is already in place. In April this year an average of 9,329 beds were available.

Mr Barry O'Farrell: Point of order: I refer to Standing Order 67. This is about the twentieth time that this bloke has announced these measures but since 6 April not a single bed has been opened.

Mr SPEAKER: Order! There is order no point of order. The Deputy Leader of the Opposition will resume his seat. The Minister has the call.

Mr MORRIS IEMMA: In April an average of 9,329 beds were available in metropolitan hospitals. So far this month an average of 9,903 beds are available in metropolitan hospitals.

[Interruption]

I am referring to metropolitan hospitals. There are 9,903 beds in the public hospital system in New South Wales. In April an average of 9,329 beds were available, but today 9,903 beds are available. For the benefit of the Deputy Leader of the Opposition, since April 575 additional beds have been available in those metropolitan hospitals. I addressed that remark to the Deputy Leader of the Opposition not just because he took a point of order. He also claimed that not one additional bed had been opened anywhere in New South Wales. This is yet another example of how Opposition members cannot bring themselves to say one positive word about the hard-working clinicians on the front line who are delivering quality care right across the hospital system.

The latest slur relates not just to the comment that not one additional bed has been opened. Last week 500 clinicians reported after spending six months putting together a blueprint for the future of health care in south-western Sydney. The Opposition's response was to denigrate those 500 clinicians by describing the plan as a band-aid. It took 500 clinicians six months to put that plan together. One would have thought that Opposition members could at least have said that it was a good plan.

Mr SPEAKER: Order! I call the honourable member for North Shore to order.

Mr MORRIS IEMMA: Opposition members could have given one word of encouragement to those 500 clinicians who spent the last six months consulting with thousands of their colleagues, prioritising services and putting together a blueprint for the future of health care in south-western Sydney—an outstanding body of work. We heard not one word of encouragement from Opposition members. The same could be said in relation to beds. Not one word of encouragement has been given to hospital improvement teams that comprise nurses and doctors in the nine hospitals that form part of the pilot hospital improvement plan. Opposition members are determined to denigrate their efforts.

Mr SPEAKER: Order! The honourable member for Upper Hunter will restrain his enthusiasm.

Mr MORRIS IEMMA: For the benefit of Opposition members, the break-up of the 574 beds that have been opened is as follows: 49 in central Sydney, 50 in northern Sydney, 81 in south-western Sydney, 109 in western Sydney, and 153 in south-eastern Sydney. I will break up those figures even further, as they are area health service figures. The individual break-up, hospital by hospital, is as follows: 10 new mental health and 14 emergency department beds at Wyong; 9 respiratory beds and 20 geriatric care beds at Westmead; 10 acute care beds at Mount Druitt; 14 acute care beds at Blacktown; 40 beds at the Children's Hospital, Westmead; 10 transitional care beds at Sutherland; 8 transitional care beds at St Vincent's Hospital; 22 transitional care beds at Campbelltown; 10 acute care beds at Camden; 12 acute care beds at Bankstown; and 37 acute care beds at Liverpool.

The additional beds will be opened wherever they can be staffed with enough nurses and other health care professionals with appropriate skills to deliver quality care. In the last few years the Government has made significant progress in adding to its nursing work force. It will continue to do so. Those efforts will continue in spite of the Commonwealth's determined efforts to ensure that universities are not adequately funded to provide the nursing work force that is required. The sustainable access plan will also use the transitional care model. That is one area in which we have made some progress with the Commonwealth Government. That plan will help senior citizens out of hospital and back into their homes or into other more appropriate and suitable accommodation. That is another example of the Government thinking outside the square.

As I said, that is one area in which the Government has received co-operation. We have made progress with the Commonwealth Government, though it is not enough progress to reduce unnecessary delays or provide a higher level of appropriate care. The first 135 of those transitional care beds have been negotiated with the Commonwealth. We are now in negotiations with the Commonwealth on the next tranche of transitional care beds. Over the last four years attendances by patients over the age of 75 to emergency departments have risen by 15 per cent, which places particular pressures and demands on our hospitals.

At any one time there are as many as 900 senior citizens in our public hospitals waiting for more appropriate care. That important transitional care model will provide them with appropriate and sustainable care,

either in the community or at home, with the appropriate level of support. We will continue to urge the Commonwealth to provide additional transitional care beds. In stage two, on behalf of the New South Wales Government, I will be looking for this State's fair share of the planned 2,000 beds over the next four years. On a per capita basis our fair share of beds will be about 700.

JAMES HARDIE AND ASBESTOS-RELATED DISEASES LIABILITY

Mr CHRIS HARTCHER: My question without notice is directed to the Premier. Given the potential underfunding of James Hardie's asbestos liabilities and the notes that I have of a meeting between the Premier's chief of staff, Graham Wedderburn, and James Hardie industries which state, "Carr okay" and "support from Della", why did the Premier not review the actuarial calculations before the asbestos fund was announced on 16 February 2001?

Mr BOB CARR: I am advised that representatives of James Hardie Ltd sought to brief Government representatives on a matter before they advised the Australian Stock Exchange. The State Government has no corporations power. James Hardie said that it would make an announcement in the stock exchange. It wanted to brief the State Government. The board that made a decision in relation to the asbestos fund advised my chief of staff and others of this development. My chief of staff asked the Hardie representatives whether they believed they had sufficient funds and they advised that they did. The State Government lacks a corporations power.

Mr SPEAKER: Order! The honourable member for Cronulla will come to order.

Mr BOB CARR: We do not have the power to stop them making an announcement before the stock exchange. We do not have power over corporate arrangements.

Mr SPEAKER: Order! I call the Deputy Leader of the Opposition to order for the second time.

Mr BOB CARR: We do not have power over corporations. This Parliament relinquished that power some years ago. This Government set up a special commission of inquiry. The Attorney General and the Special Minister of State have taken the opportunity to meet with the Asbestos Diseases Foundation and the insurance industry to discuss dust diseases issues. But the Attorney General and the Minister recognise that the Dust Diseases Tribunal is an international best practice judicial body that provides rapid and just compensation for victims of dust diseases. There is currently no bill waiting for introduction or even waiting to be drafted that would revise the status of that tribunal.

WORKPLACE SURVEILLANCE LEGISLATION

Ms MARIE ANDREWS: My question without notice is addressed to the Attorney General. What is the current status of the Government's proposed consultation bill for workplace surveillance?

Mr BOB DEBUS: I am sure honourable members recall that I indicated to the House earlier this session that the Government would release comprehensive draft workplace surveillance legislation for a period of public exposure. The bill is designed to expand the provisions of the existing workplace visual surveillance legislation to all other forms of surveillance in the workplace, such as tracking devices and, most notably, email surveillance. During the past two decades the complexion of the workplace has changed dramatically with the introduction of new technologies. Email and the Internet, in particular, have revolutionised workplace communication and provided unparalleled access to information.

Mr SPEAKER: Order! I call the honourable member for Murrumbidgee to order for the second time.

Mr BOB DEBUS: However, these new freedoms have also brought risks to individual privacy that could not have been imagined 20 years ago. Employers have had to come to terms with and create strategies to deal with overuse of email and the problems associated with the downloading and dissemination of inappropriate material. In a number of cases, employers have resorted to a range of practices to monitor email use, including covert surveillance of their employees. Union and employee disquiet has been growing—justifiably—about the use of covert surveillance in the workplace. While some employers argue that it is necessary to protect their legitimate interests, employees expect that their private correspondence, like their private telephone calls or private conversations, should never be the subject of secret monitoring. We do not tolerate employers unlawfully putting cameras in change rooms and toilets. We should not tolerate bosses snooping into the private emails of workers either.

The Government recognises these competing entitlements, and seeks to strike the right balance between privacy rights and business interests. In 1998 the Government established a balanced legislative model to deal with visual surveillance in the workplace. Under that model, employers are required to give employees notice of any visual surveillance undertaken in the workplace, unless—an important qualification—they have obtained an authorisation from the Local Court. Authorisations for covert surveillance are only granted where there is a legitimate reason for secrecy, such as unlawful activity reasonably suspected in the workplace. An employer who secretly undertakes visual surveillance without court authorisation is guilty of a criminal offence. The Government's draft exposure bill extends this fair and entirely straightforward scheme to all other forms of workplace surveillance, not only those that monitor email usage, but other technologies, such as tracking devices, which have been used on occasion to trace employees' whereabouts as part of performance monitoring.

There have been some recent press reports which have portrayed this initiative as imposing an unreasonable burden on business. Such reports appear to be based on a misunderstanding of the requirements included in the draft bill. As I have said previously to the House, the proposals will not place a blanket ban on email surveillance, for example, by employers, but they will require that it be carried out ethically and sensibly. As I have mentioned, employers may lawfully conduct surveillance, for example, of their employees' email messages, if they simply ensure that effective notice is provided. If they do, no further action is required. Where an employer suspects that unlawful activity is occurring in the workplace, they can conduct covert surveillance with court authorisation. Such authorisations can be quickly obtained from the Local Court.

It is worth mentioning that the existing workplace video surveillance legislation has proved a highly effective approach to the matter. In 2003 only 16 out of 154 applications for authorisations were refused, which is a very high level of success. The exposure bill will provide unions, employees and the owners of small and large businesses the opportunity to have input into the development of a comprehensive commonsense solution. I seek leave to table the Government's exposure draft Workplace Surveillance Bill 2004.

Leave granted.

Exposure draft bill tabled.

PUBLIC HOUSING

Ms CLOVER MOORE: My question is directed to the Minister for Housing. What is the future of public housing in New South Wales, given that it is conservatively estimated there are 80,000 people on the waiting list and the budget has provided for only 220 new units, with a pathetic 500 units last year?

Mr CARL SCULLY: It is good to get a question on the budget. In fact, the honourable member for Bligh has revealed a concern that has occurred over the past several years about the decline in Commonwealth-State housing funds.

Mr SPEAKER: Order! I call the honourable member for Swansea to order. I call the honourable member for Wallsend to order.

Mr CARL SCULLY: Briefings will be made available to the Opposition. I am happy to show the decline in funds that have come from the Commonwealth as part of the Commonwealth-State Housing Agreement. In fact, things will get worse because I have just signed the bilateral agreement for what could be the last Commonwealth-State Housing Agreement.

Mr SPEAKER: Order! I call the honourable member for Coffs Harbour to order for the third time.

Mr CARL SCULLY: The Federal Government has said to us that we should enjoy this stingy deal because it is likely to be the last. It has told us that we should prepare for about five years' time when the States and Territories will have to go it alone and it is a shame for the Commonwealth even talking about that. Increasingly, the Department of Housing has had to provide more and more recurrent services to its tenants. All honourable members who have Department of Housing tenants in their electorates know the deep social and emotional problems of many of the tenants. The Department of Housing has been expected to fill in the gap, and does not get any extra money from the Commonwealth. Many of our tenants need increased services. I see pressure is building. I see the need for more and more recurrent services. For example, we have trialled an office in a housing estate that deals with intensive tenancy management at the coalface and the problems that confront many of our tenants, and it is very successful. We now have 18 of those, with no extra funding from the Commonwealth, and our tenants welcome them.

There has been a need to deal with specialist concerns that arise. Client service officers, who traditionally have the role of managing rent and tenancy allocations, are not skilled to deal with some of the deeper problems. We have established more skilled personnel to deal with the deeper social problems, which was quite expensive with no extra funding from the Commonwealth. That has meant that there has had to be a trade-off. As we have increased the level of expenditure on the recurrent services, and more on maintenance—for example, people expect us to maintain our assets more and more—it has meant a compromise on the construction level. I would like to build more houses. We should build more houses. I am looking at the possibility of putting to the market private sector involvement in some redevelopment of housing estates.

Governments of the past have built 100 per cent socially disadvantaged communities and have created fundamental social problems. All honourable members who go into the estates and see the people in those communities being housed in one area are not surprised by the higher level of crime, vandalism and graffiti, and social dysfunction in the community.

One of the possibilities of renewing some of our estates with private sector finance is to create new work communities while still housing our socially disadvantaged. I would prefer not to do it that way. I would prefer to be able to say that the Commonwealth Government is using some of its largess to redevelop housing estates and create communities, without the need for private sector involvement. I would like to be able to say that instead of building just a few hundred more homes, we will be building thousands—because 80,000 people are on the waiting list, and that is too many. But, in the face of dramatic cuts in the Commonwealth's contribution, I can only do what I can with what I have got—and from the Commonwealth it is pretty stingy and miserable!

NORTH COAST TIMBER INDUSTRY

Mr NEVILLE NEWELL: My question without notice is to the Premier. Can the Premier advise the House on the latest developments in the timber industry on the North Coast?

Mr BOB CARR: The House will note that the only question from the Opposition benches on the budget the day after it was delivered came from the honourable member for Bligh. We have checked *Hansard*. This is the first time ever that the day after budget day an Opposition, Labor or Coalition, has failed to ask a question on the budget.

Mr Brad Hazzard: Who cares!

Mr BOB CARR: The member says, "Who cares!" He and the Opposition ought to care. The Opposition ought to take an interest. I took an interest in budgets when I was Opposition leader. I cared. But let me answer the question.

Mr Brad Hazzard: Point of order. It is on the issue of relevance. I said, "Who cares!" because the Premier never answers any of our questions anyway.

Mr SPEAKER: Order! There is no point of order. The honourable member for Wakehurst is now on three calls to order.

Mr BOB CARR: The men in white coats are moving in!

Mr Brad Hazzard: They will take you first.

Mr BOB CARR: No, they will not! I am a temple of sanity compared to those sitting opposite.

[Interruption]

I cannot hear what the honourable member is saying. She will have to speak up or bring in a microphone. In my first press conference as Opposition leader I said there would be no revision of Labor's bold commitments on saving forests, and I adhered to that throughout the 1991 election, criticising the Greiner-Hawke agreement on the south-east forests as being inadequate. Right through the 1994 blockade of Parliament House in Canberra on forestry issues Bob Hawke complained that his sternest critic when it came to the south-east forests was me. In fact, we took to the people a strong forest policy in the 1995 election, and I believe we were elected on that policy. Now we can say, 345 new national parks later—

Mr Andrew Fraser: Bonfires.

Mr BOB CARR: The honourable member for Coffs Harbour says they are bonfires! From The Nationals front bench today there is a fever of self-incrimination!

Mr SPEAKER: Order! The honourable member for Coffs Harbour will restrain his enthusiasm for the Premier's response.

Mr BOB CARR: That is a self-incriminating statement, given what we know about his record. But, 345 new national parks later we are very proud. However, the conservation gain is only half the story. The security of supply from a modernised, more competitive timber industry is the other side of the balance sheet. We have secured the North Coast region's timber industry and brought it to a successful conclusion. We have done that by creating 65,000 hectares of new national parks and reserves at the so-called 15 icon sites. By the way, it was our election commitment at the last poll to save those icons, and that has been kept in full.

Mr SPEAKER: Order! I call the honourable member for Baulkham Hills.

Mr BOB CARR: Those 15 icon sites were saved in one conservation decision made by this Government, which is the equivalent of one-sixth of the conservation contribution made by the Coalition in all its years in government. We wound back timber extraction from 269,000 cubic metres to 185,000 cubic metres.

Mr SPEAKER: Order! The honourable member for Coffs Harbour will come to order.

Mr BOB CARR: But in doing that we created historic security for the timber industry. We have reached 16 new wood supply agreements with the timber industry, and 40 more are in the pipeline. To show how out of touch The Nationals are, I want to quote to the House what the timber industry itself says. I begin with Boral, the first company we signed a long-term contract with. It said:

... Boral now has certainty and we can move forward with our hardwood timber investment plans ...

It goes on to say:

Our long-term resource security ... will provide increased certainty for smaller timber mills on the NSW North Coast. Resource security underpins our strategy of building an internationally competitive business ...

That is from Boral.

Mr Andrew Fraser: That does not count.

Mr BOB CARR: It does count, because, as it happens, they are establishing a \$20 million engineered flooring plant at Murwillumbah that will employ 100 people. I think that does matter. They did that only because they got the guarantee of security of supply under our forest industry policy. Another big North Coast employer is Hurford Hardwood, at Lismore. Their chief executive officer, Andrew Hurford, said of our new agreements—

[Interruption]

I am sorry, the honourable member for Lismore had nothing to do with it. He ought to keep out of this. He made no contribution to this whatsoever.

Mr SPEAKER: Order! I call the honourable member for Lismore to order.

Mr BOB CARR: Mr Hurford said:

... we now employ 188 staff which is considerably more than we did before the regional forest agreements ... the benefits have translated directly back to the people of Lismore, Casino and Ballina.

That the community is now able to enjoy the socioeconomic benefits and contemporary conservation values available from sustainable forest management is an outstanding achievement of your Government ...

That is a big private company, a big investor in this industry, saying that this Government's policy did that. Here is what Kerry Pidcock, Managing Director of Big River Timbers, said:

... thank you sincerely for signing off our new 20 year wood supply agreement ... this new agreement will act as the foundation to very much increased investment by our company and underpin long-term secure employment of our almost 200 employees ...

So the policy achieves new national parks and guaranteed supply for the timber industry and security of employment and modernisation. The employers, the investors, are saying that. The companies are saying they endorse the policies of a green Labor Government. That is the achievement in it.

Mr Andrew Stoner: You held a gun at their head.

Mr BOB CARR: Prince Mishkin says, "You held a gun at their head." No. We went to the people at the last election with the policy, and it was endorsed by the people. Industry understood it, and industry now applauds it.

Mr Thomas George: They do?

Mr BOB CARR: You want more evidence, do you? Ask Spiro Notaras of Notaras and Sons.

Mr SPEAKER: Order! The honourable member for Coffs Harbour will come to order.

Mr BOB CARR: He is very restive this afternoon—disturbed and restive! He is almost on fire! Spiro Notaras says:

Thank you for finalizing the new wood Supply Agreements for our company ... my brother and I have invested heavily in our operations since the Regional Forest Agreements and have worked to re-establish the capacity of our operations ... we now employ 55 staff, ... the benefits have translated directly back to the people of Grafton ...

Mr SPEAKER: Order! The honourable member for Coffs Harbour will come to order.

Mr BOB CARR: Those are the outcomes. Half a dozen employers, investors in the industry, saying, "Your policy has worked." The conservationists are saying, "You have implemented in full your policy of the last election. All we had up to this time from The Nationals were predictions of disaster." The honourable member for Upper Hunter—he ought to be recalled; he was a more formidable leader of the National Party than the present struggling leader of The Nationals—said that if the Government implements this policy there would be a reduction of areas available for sustainable timber harvesting, and it would devastate the timber harvesting industry and cause a loss of jobs. None of that happened. In fact, the industry has gone from strength to strength. I have quoted the timber industry representatives, but let me quote from a surprising source—none other than the Prime Minister of Australia. On 15 April 2004 he is quoted in the *Daily Examiner* as follows:

I am encouraged about comments that have been made to me about the strength of the timber industry.

That is after the implementation of our policy. The quote continues:

That is important. It has been a difficult challenge.

[*Interruption*]

This is John Howard's endorsement.

Mrs Jillian Skinner: Not of you.

Mr BOB CARR: It is, of our policy. He would say kinder things of me than he would have said of the leader of the honourable member for North Shore. He went on to say:

It has been a difficult challenge to try and get it right between the human concern we all have for the environment and the very legitimate concern for strong growth.

We have achieved it: right for the industry, and a brilliant outcome for conservation. With endorsements like that we can be very proud of the implementation to the letter of the policy we took to the people at the last election.

Mr SPEAKER: I call the honourable member for Coffs Harbour to order.

Mr BOB CARR: We have had an expansion of national parks: a glittering conservation outcome, but at the same time an investment in new equipment and the hiring of new staff, all coexisting with a 1.9-million hectare increase in national parks and reserves since 1995. The industry has never been more competitive.

[*Interruption*]

The honourable member for Coffs Harbour's doctor is waiting outside. He should not keep him waiting. The industry has never been more competitive, but since 1995 the national park estate in New South Wales has been increased by 50 per cent.

Mr SPEAKER: I call the honourable member for Coffs Harbour to order.

Mr BOB CARR: It is a great conservation outcome—in fact, one of international significance.

MANNING BASE HOSPITAL REPORT

Mr JOHN TURNER: My question without notice is directed to the Minister for Health. Given that this leaked copy of the secret O'Rourke report into the Manning Base Hospital has found that major urgent safety issues exist in internal medicine, intensive care, general surgery, the employment department and obstetrics, how does he propose to immediately solve these serious issues confronting the people of my electorate?

Mr MORRIS IEMMA: I assume that the document to which the member referred is from Mr O'Rourke, the head of the Institute of Clinical Excellence, who was requested by clinicians at the hospital, hospital management, and the area health service to undertake a review and respond to some of the clinicians' concerns. The latest information as of Friday night from Dr Murray Hyde-Page, the Chair of the Medical Staff Council, who was appreciative of the efforts made to respond to the issues that he and other clinicians at Manning Base Hospital had raised, is that work is being undertaken to follow through on the findings of Mr O'Rourke.

Mr JOHN TURNER: I ask a supplementary question. In view of the Minister's answer, can he advise why the budget contained no funding for the upgrade of the emergency department at the Manning Base Hospital, as recommended by Mr O'Rourke in the report?

Mr MORRIS IEMMA: What I can pass on to the honourable member is that following the meeting of the executive of medical staff councils from New South Wales at Royal North Shore Hospital last Friday night, which I attended, the clinician who leads the medical staff council at that hospital provided a short report on what has been done by both the Department of Health and the Institute of Clinical Excellence to respond to the issues he raised. It was a worthwhile update from one of the honourable member's local doctors.

Mr Carl Scully: Point of order: Given that the honourable member's supplementary question was the eleventh this question time, I ask you, Mr Speaker, to take that into account in tomorrow's question time.

Mr Andrew Fraser: To the point of order: As the Minister failed to answer the question, can we have more questions tomorrow than we had today, and some answers?

Mr SPEAKER: Order! There is no point of order.

Questions without notice concluded.

LEAVE OF ABSENCE

Motion by Mr Carl Scully agreed to:

That leave of absence for the present session be granted to Marianne Frances Saliba, the honourable member for Illawarra, on the ground of ill health.

QUESTIONS WITHOUT NOTICE

Supplementary Answer

COASTAL SEWAGE TREATMENT PLANT UPGRADE PROGRAM FUNDING

Mr FRANK SARTOR: I have a supplementary answer to the question I was asked yesterday by the honourable member for Wakehurst. His question alleged that the Government had cut Coastal Sewage

Treatment Plant Upgrade Program funding by \$200 million, that the Government had halved it. The question was non-specific, but, as I suspected yesterday, the assumption was wrong. In actual fact there has been no cut in the Coastal Sewage Treatment Upgrade Plant Program. The total funding shown in the line item in the budget is lower by \$200 million. However, last November we announced the rescoping of North Head. It is basically an accounting change. North Head has been shifted to a line item that relates to the upgrading of the reliability of sewage treatment plants. That is where it is funded from, and that line item does not have forward estimates.

As we know, it was rescoped for three reasons. First, the honourable member for Manly made representations. Second, it does not need the extra work to meet its licence requirements. Third, there are other priorities in the Sydney Water system. But the total funding went up. We are still spending \$106 million on it. The honourable member's factual statement was wrong. Total spending is \$530 million, up from \$515 million on capital works from last year. In its last year in government the Coalition spent \$233 million. It was a disgrace! Again, we have an error, misleading statements, and lies to this House.

Mr John Brogden: No-one's listening.

Mr FRANK SARTOR: He is listening, and that is all that is important. I provide that supplementary response to the question. Had I been able to respond to the supplementary question I would have made it quite clear that the honourable member for Wakehurst has no idea. He does not read the Sydney Water licence. He makes a statement about Services Sydney, but if he read the licence he would know that it makes it clear that Services Sydney has access to provide any service that Sydney Water provides. If that is not enough, the Independent Pricing and Regulatory Tribunal has given Services Sydney free-of-charge access to the sewer system. The honourable member should do his homework. Next time he should ask questions that are not so vague, so I can answer them on the spot.

Mr Brad Hazzard: Point of order and a point of clarification: The Minister just answered my question from yesterday, which he is quite entitled to do. But while you were distracted, Mr Speaker, he also indicated that he was answering a question that you ruled out of order, which was my supplementary question about his stopping Services Sydney from having access to the pipes. As he has just answered a question I did not ask, I seek a ruling on whether I have a right of reply, which is the case when a Minister makes a ministerial statement. It would be only fair that I should be able to do that because I want to make it clear that the Minister has no idea of how to manage Sydney's water problems.

Mr SPEAKER: Order! The honourable member for Wakehurst will resume his seat. On previous occasions I have indicated that the Chair is not able to direct a Minister how to answer a question. The Minister is at liberty to answer the question in any way he sees fit, provided that he complies with the principle of relevance. The Minister's answer will stand.

Mr BRAD HAZZARD: Is it in order for me to ask the question again?

Mr SPEAKER: Order! The Minister has responded to the question.

QUESTIONS WITHOUT NOTICE

Mr SPEAKER: Order! Prior to the conclusion of question time I ruled that there was no point of order after the Leader of the House had claimed that a supplementary question asked by the honourable member for Myall Lakes was the eleventh question to be asked during question time. In fact, the supplementary question was the tenth question.

CONSIDERATION OF URGENT MOTIONS

Murray-Darling Basin Water Resources

Mr PETER BLACK (Murray-Darling) [3.41 p.m.]: This motion is urgent because today Country Labor has declared this day to be The Nationals Day based upon the performance of The Nationals over the past 24 hours. Last night the most ridiculous statement dealing with country matters was the subject of a press release for The Nationals that was distributed under the name of the Deputy Leader of the Opposition, the Hon. Duncan Gay. The statement made a series of allegations that I will deal with in greater detail later. Suffice it to say at this point that the Leader of The Nationals, Andrew Stoner, reiterated that stupidity in last night's statements by the Hon. Duncan Gay, and his comments were subsequently taken up by members of the Coalition.

I suspect that that occurred because members of the Coalition know very well that the number of people attending the Country Labor Conference at Bathurst last weekend will surpass the number of people attending The Nationals conference in Dubbo this weekend. This motion is urgent because it reveals why The Nationals should be condemned by every western New South Wales resident and every resident of the Murray-Darling Basin: The Nationals have failed to do something about Queensland policies on water resources. Cubbie Station is not far from the border between Queensland and New South Wales. Earlier this year it absorbed seven-eighths of the floodwaters of the Culgoa River.

Mr Thomas George: Point of order: My point relates to relevance. The honourable member for Murray-Darling has not established why this motion is urgent.

Mr SPEAKER: Order! There is no point of order. The honourable member for Lismore may wish to claim that the honourable member for Murray-Darling is not presenting reasons why his motion should have priority. However, that is not the same as a claim under Standing Order 138, which relates to relevance. The honourable member for Lismore should learn the standing orders.

Mr PETER BLACK: This motion is urgent because earlier this year almost all the floodwater of the Culgoa River was retained in a number of Queensland properties. This motion is urgent because last week when the Minister for Justice, the Hon. John Hatzistergos, visited Broken Hill, I attended a meeting in Mildura hosted by a friend of the Prime Minister, John Howard, one Mrs Leith Bouilly, who was recently appointed as a member of the board of the Australian Broadcasting Corporation. As the chairperson of the Murray-Darling Advisory Council, Leith Bouilly has a responsibility to advise me as the local State parliamentary representative in relation to the state of rivers in my electorate. Although the very same person, Leith Bouilly, said 10 years ago that Queensland's proposals for water management were wrong, she now says openly in the media, notwithstanding her previously expressed views, that everything is all right. She appears to have arrived at that conclusion since she became part of the process.

This motion is urgent because despite the pathetic performance of The Nationals—or perhaps because of it—the Deputy Prime Minister, John Anderson, has gathered support for a proposal that he will place before a forthcoming meeting of the Council of Australian Governments that Queensland should contribute to the Living Murray Program. That program is funded to the tune of \$500 million and is contributed to by the New South Wales, Victorian, South Australian and Commonwealth governments. But not one cent is contributed by Queensland. This motion is urgent because this morning the radio program *AM* was broadcast from Broken Hill. Tomorrow's program will also be broadcast from Broken Hill—and the subject for discussion will be water resources in Queensland. This motion is urgent because irrigators in the Murray-Darling Basin have not been given a fair go. Water resources that should rightly be part of the flow of the Murray-Darling rivers were retained as they flowed through Cubbie Station in Queensland.

The Deputy Prime Minister, John Anderson, had been warming to the idea of providing assistance to the Queensland Government to enable it to buy Cubbie Station. After the flood, Cubbie Station hosted a "Thank you John Party". The position is that the attempt at Dirranbandi to save 180 jobs has been foiled by The Nationals, the Leith Bouillys and Cubbie Station property owners. The Deputy Prime Minister is currently the Federal member for Gwydir, but sold out between 640 and 670 jobs in the irrigation industry in Bourke. He sold out his own constituents, yet the pathetic New South Wales Coalition sits back and does nothing about it.

James Hardie Amsterdam Relocation

Mr CHRIS HARTCHER (Gosford) [3.46 p.m.]: My motion is urgent for a number of reasons, the first of which is that the whole of New South Wales awaits the outcome of the inquiry ordered by the Premier that will ascertain what the directors of James Hardie knew in 2001 when the company's offices were relocated from Sydney to the Netherlands. The second question that everyone wants an answer to is what Justice Kim Santow knew when he approved the application for the transfer of the domicile of the registry of the company from Sydney to Amsterdam. The third question that everyone wants an answer to is what the Premier, Bob Carr, the Special Minister of State, John Della Bosca, and their respective chiefs of staff, Graeme Wedderburn and Matthew Strassberg, knew when they were briefed by James Hardie about the proposal to transfer the registration domicile of the company from Sydney to Amsterdam. The records of Stephen Loosely—

Mr Barry O'Farrell: Who is he?

Mr CHRIS HARTCHER: He is the former General Secretary of the Australian Labor Party, a financier extraordinaire of development in Sussex Street, and a strategic adviser engaged by James Hardie to

brief Graeme Wedderburn and Matthew Strassberg at the company's request. The notes provided by Mr Loosely under oath and subpoenaed by the special commission of inquiry reveal a number of things about the actions taken by the company.

Mr Alan Ashton: I know that this matter is before a tribunal and I appreciate what the honourable member for Gosford is saying, but in the last two minutes I have waited to hear the word "urgency". As usual, the honourable member has used the word only once and has gone straight to the substance of the motion. I ask that he be directed to explain why his motion is urgent.

Mr SPEAKER: Order! The honourable member for Gosford has been a member of this House for a long time. He well knows the purpose of this process.

Mr CHRIS HARTCHER: I will not use the word "urgent" in every second sentence, but this matter is urgent because the inquiry concludes tomorrow. If the honourable member for East Hills wishes to check, he will find that the last witness gives evidence tomorrow and there will be no further opportunity for evidence to be heard. It is important for this House, before it rises for the winter recess, to consider the very significant matters revealed in the evidence given by Mr Stephen Loosely at the inquiry. That is why my motion is urgent. This matter is urgent because Mr Stephen Loosely said in his notes, "Carr okay". In other words, Graeme Wedderburn indicated to Stephen Loosely and the representatives of James Hardie that the Premier was okay with the transfer of the domicile from Sydney to Amsterdam.

The notes go on to say, "More than muted support from Della". That implies that the Hon. John Della Bosca indicated through his chief of staff, Matthew Strassberg, that he gave more than muted support to the transfer of the domicile from Sydney to Amsterdam. The two significant Ministers, the Premier and the Minister for Industrial Relations, indicated through their chiefs of staff that the Premier was okay with the move and that the Minister gave it more than muted support. That is why it is extremely urgent that the House requests the Premier and the Minister for Industrial Relations to state what they knew. If they knew that the domicile was to be transferred, why did they not seek any actuarial advice to protect the injured or possible future claimants?

Mr Gerard Martin: Point of order: Apart from the fact that the honourable member for Gosford is not stating why the matter is urgent, he is referring to copious notes that could be interpreted in any way. We have already heard that the real responsibility under the Corporations Act lies with the Federal Government. Those opposite sat on their hands on this issue, as they have done every time the Federal Government has done something with the Australian Prudential Regulation Authority.

Mr SPEAKER: Order! The honourable member for Bathurst will resume his seat. The honourable member for Gosford well knows the issues at hand.

Mr CHRIS HARTCHER: This matter is urgent because the legal advice suggests that legislative action could have been taken in New South Wales. The Corporations Law is co-operative Federal and State law; it is not a matter of the Federal Parliament taking control of the field. The New South Wales Government could have taken legislative action but the Premier chose not to make any further inquiries. [*Time expired.*]

Question—That the motion for urgent consideration of the honourable member for Murray-Darling be proceeded with—agreed to.

MURRAY-DARLING BASIN WATER RESOURCES

Urgent Motion

Mr PETER BLACK (Murray-Darling) [3.51 p.m.]: Madam Acting-Speaker—

Mr Andrew Tink: Point of order: There is no Minister at the table. Where is the Minister for Mineral Resources? The Minister for Energy and Utilities has just entered the Chamber. Madam Acting-Speaker, can you issue a direction to the Minister that he should remain in the Chamber? He cannot be absent without leave; he is not paid a ministerial salary to walk out of the Chamber and leave us without a Minister at the table. He should stay here and earn his salary.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! The honourable member for Epping will resume his seat and remain quiet. The honourable member for Murray-Darling has the call.

Mr PETER BLACK: Point of order: Madam Acting-Speaker, I notice that the clock has started. I have not yet begun my speech.

Mr Barry O'Farrell: To the point of order: Madam Acting-Speaker, you called the honourable member for Murray-Darling to speak. He was on his feet when the honourable member for Epping sought the call. The clock had started.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! There is no point of order. The honourable member for Murray-Darling has the call.

Mr PETER BLACK: I appeal to you, Madam Acting-Speaker. I did not say a word about the motion and two minutes of my speaking time has gone.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! The honourable member for Murray-Darling has the call.

Mr PETER BLACK: Madam Acting-Speaker, I will remember this. I do not normally take points of order—

Mr Chris Hartcher: Point of order: No-one is allowed to reflect on the Chair. The honourable member for Murray-Darling cannot reflect on the Chair. The honourable member for Peats is in the chair and the honourable member for Murray-Darling just threatened her. That is outrageous. I am prepared to defend your honour, Madam Acting-Speaker, even if no-one else is.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! The Chair does not need the support of the honourable member for Gosford. The honourable member for Murray-Darling has the call.

Mr PETER BLACK: I move:

That this House:

- (1) condemns the draft Queensland Condamine-Balonne Water Resources Plan for its failure to address the needs of downstream users and the environment; and
- (2) calls on the Federal Government to provide assistance to resolve the issue through the national water initiative.

I will rely upon some information provided to me by Mr Rory Treweek, Chair of the Western Catchment Management Authority, who is not necessarily known for his socialist views. The first major development in the Condamine-Balonne system that reduced the amount of water flowing to the New South Wales section of the river was the St George Irrigation Scheme and the construction of the Beardmore dam to service it in the 1970s. During the 1980s and until 1992 water-harvesting licences were issued on the system, many downstream from St George, to extract water that is stored in on-farm storages for use on irrigated crops. There is no annual volumetric control on these entitlements. They are issued with an associated starting flow threshold and either the size of the pump is specified or extraction in megalitres per day is specified. Pumping can continue so long as the starting flow threshold is exceeded for the licence and the irrigator has storage capacity to fill.

New South Wales land-holders were gravely concerned by the middle of the 1980s but, until now, were unable to convince New South Wales governments of either political persuasion to make strong representations to Queensland about this matter. A moratorium on the issuing of further licences was voluntarily agreed to in the lower Balonne area in 1992, and by 1995—incidentally, after the Murray-Darling Basin cap came into operation—was extended to the entire river system. In New South Wales no irrigation licences have been issued on the system since 1982 and few, if any, are used because of the lack of confidence in obtaining a sufficiently reliable supply to warrant investment.

Queensland is responsible for applying the Murray-Darling Basin cap on the system and instituted a water allocation management planning [WAMP] process. Only four New South Wales land-holders were included in that process out of the 22 members of the committee. The draft report was completed in June 2000 and comments were received by the Department of Natural Resources up to December 2000. End-of-system figures compiled by the department for the WAMP show that the full development of existing licences in Queensland will result in only 19.6 per cent of the median annual flow of the Culgoa reaching the Darling system, only 27.7 per cent from the Bokhara reaching the Darling system, and only 15 per cent of the Narran reaching the Narran Lakes. The latter is, of course, being Ramsar listed as terminal wetlands.

Already New South Wales land-holders on the lower Balonne floodplain have lost the frequency of small and medium flows that contributed to the productivity of the area. There is an urgent need to ensure an equitable sharing of the waters of this system for both economic and environmental reasons. In 2002 the Queensland Minister set up a community reference group to attempt to negotiate an outcome following complete irrigation industry rejection of the WAMP for the Condamine-Balonne. Professor Peter Cullen headed a scientific review of the system that concluded that essentially not enough water is being released into the Barwon-Darling system. At a public meeting in Brewarrina on 18 December when the draft plan was explained New South Wales land-holders were most unhappy with the proposals, pointing out that they already suffered severely from reduced frequency and flooding due to the developments in Queensland below St George.

If I had sufficient time—it has been taken from me by the Opposition—I would explain the plight of an irrigator in the north who has lost the water that would have usually flowed to him. I believe the honourable member for Barwon is equally concerned about this matter because the people to whom I refer are his constituents. The flow event in the system in January 2004, to which I referred earlier, demonstrated clearly the extractive capacity of water harvesters in the lower Balonne to reduce what previously would have been a moderate flood to an in-bank flow. Nothing went over the banks onto the floodplain. Last Tuesday I was in Bourke and spoke with Phillip Hams. He would be well known to the Opposition, but with good taste he crossed to this side.

Mr Ian Slack-Smith: A good man.

Mr PETER BLACK: Yes, a good man. Phillip Hams said that when he was setting up three different irrigation blocks he relied upon Culgoa water to bail him out. That water coming down the Culgoa bailed him out of trouble, but that will not happen again. Currently the Minister for Infrastructure and Planning, and Minister for Natural Resources, the Hon. Craig Knowles, is organising a whole-of-government response to the draft Queensland plan. I am aware—and I hope the Opposition is also aware—that there have been meetings between the Minister's compatriots and between the two Premiers on this matter. In an article in the *Land* on 4 March, Professor Peter Cullen took the Queensland Government to task on various aspects of its management of the system.

On 1 June at a conference on the Western Division held in the Government's caucus room in this building, a decision was taken, after a motion had been moved by Wally Mitchell, the past president of the Shires Association of New South Wales and seconded by Ron Page to the effect that the Western Division was to take out an injunction against the Queensland Government in relation to this matter. Since that time, discussions have been held with respect to analysing how the injunction might work. This is a complicated matter which, at the end of the day, will need careful consideration. Obviously, the matter will wind up in the Federal Court and will involve barristers rather than solicitors—an expensive exercise. The object of this urgent motion today is to get John Anderson to think about his constituents in Gwydir. The point of the exercise is to get the New South Wales Nationals to support the Government in getting John Anderson onside. This business of thank-you John parties at Cubbie Station in support of 180 jobs against the 640 to 670 in Bourke is a disgrace. Currently, water is stored at Bourke and will be available for cotton production in Bourke for the coming season. That is great news for Bourke.

Mr ADRIAN PICCOLI (Murrumbidgee) [4.01 p.m.]: The Opposition certainly agrees that some issues with respect to the Queensland-Condamine-Balonne water resource plan are of great concern to New South Wales. However, it is also important to remember that the Queensland Government is a Labor government. I always understood that the Premier of New South Wales and the Premier of Queensland were good mates, but this motion has highlighted how the Queensland Premier has it all over the New South Wales Premier. Why is the New South Wales Government, the strongest State in Australia, always done over by the Queensland Government? Why is Premier Peter Beattie always putting things over Premier Bob Carr? He does that brilliantly, time after time, and this motion highlights just one of the many examples of that.

In recent articles in the *Daily Telegraph* Premier Beattie is reported as saying how he loves to have it over Premier Carr all the time. Perhaps we should have a different Premier. If Premier Carr is not up to the job and cannot sell the New South Wales point of view and win the argument in Queensland, perhaps it is time for a new Premier. Perhaps Premier Carr should spend more time in Queensland talking to the Queensland Premier and arguing the case for New South Wales instead of travelling to America and Europe. It is his job to be an advocate for New South Wales in cross-border issues of State significance, not to jet set all over the world.

The second part of the motion calls on the Federal Government to provide assistance to resolve the issue through the national water initiative. The general thrust of that is okay, but perhaps it is a little too late.

The Federal Government has established the national water initiative; it has already done what is called for in the motion. The Federal Government is doing a lot more than the New South Wales Government ever did to conserve water. The honourable member for Murray-Darling often says that the only two things going for western New South Wales are tourism and irrigation. Of course, irrigation is important to western New South Wales, but if the New South Wales Government continues along the path taken by the former Minister for Land and Water Conservation, the Hon. Kim Yeadon, who introduced the cap and other measures, country New South Wales will be absolutely devastated. Fortunately, John Anderson stepped in with the national water initiative. I challenge the honourable member for Murray-Darling to deny that in his reply. John Anderson stepped in in a positive way to salvage something for the irrigation industry. At least there is now some hope for the New South Wales irrigation industry, thanks to the efforts of John Anderson.

There is no doubt that what is happening along the Balonne and Condamine rivers is difficult and delicate. About a year or so ago I went to Cubbie Station when it was at its driest. A lot of misinformation has been spread about the nature of that catchment. The science was not right about where the water went after it passed Cubbie Station and some other properties. After much difficulty, the science is now almost right. The New South Wales Government and Premier can help—I would not bother to ask Country Labor, because over the years it has proven its uselessness—by going to the area and advocating on behalf of New South Wales that the problems be sorted out. The honourable member for Murray-Darling makes a big noise in the House about Country Labor, but why are he and the honourable member for Bathurst, the honourable member for Monaro and the honourable member for Tweed so ineffective? Why can they not get anything through their caucus? The closure of the Casino to Murwillumbah railway line has been mentioned many times. The Government has tried to avoid voting on that matter. Those members will be too gutless to cross the floor to support their constituents. They consider it far more important to support the Premier or one of the new contenders for that position.

Miss Cherie Burton: Point of order: My point of order is relevance. The honourable member for Murrumbidgee has strayed way off the track. I have listened to his gobbledegook and it is clear that he does not understand what the debate is about. He has to fill in four more minutes. I will help him to do so by taking this point of order. However, he has diverted his attention to matters that have nothing to do with the motion and I ask that he be brought back to the subject matter of the motion.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! I remind the honourable member for Murrumbidgee that he should confine his remarks to the subject matter of the debate. He may proceed.

Mr ADRIAN PICCOLI: With respect, the honourable member for Murray-Darling argued the effectiveness of Country Labor. He contrasted that with the effectiveness of the Federal Government. I am arguing about the effectiveness of Country Labor. I have made the point time and again that Country Labor has shown that it is not effective in advocating for its constituents. Western New South Wales is part of its constituency. The honourable member for Murray-Darling represents 45 per cent of western New South Wales. I am making the point to the Chamber and to whoever may read *Hansard* that Country Labor is ineffective in doing anything. Country Labor is not telling the Premier that water is a big problem in western New South Wales and that Queensland is taking all this water from New South Wales. Country Labor is not telling the Premier that it wants him to go the Queensland Premier, sort out this problem and gain a win for New South Wales. Country Labor members are not effective. I will give only a few examples of the areas in which they have not been effective. I refer to the Casino to Murwillumbah railway line, the branch line closures and the privatisation of FreightCorp.

Miss Cherie Burton: Point of order: My point of order relates to relevance. It is not that we do not like what the shadow Minister is saying, but we are debating an issue that is of importance to country New South Wales. The honourable member should not waste the time of the House by not focusing his attention on the matter that is being debated and the question that is before the House.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! I again remind the honourable member for Murrumbidgee to confine his remarks to the question before the Chair.

Mr ADRIAN PICCOLI: Ministers are asked questions during question time and they purport to answer those questions. When Opposition members take points of order relating to relevance Mr Speaker states that he cannot direct Ministers how they should answer questions. The point of order that has just been taken is ineffective. I cannot be directed by the Chair how to speak in debate on an urgent motion. The so-called Country Labor faction is irrelevant. It is unable to convince the New South Wales Government to do anything. This motion calls on the Federal Government to provide assistance. For those opposite who do not realise it, the

Federal Government is in Canberra. It will be many years before the Labor Party ever wins a Federal election. For them this urgent motion is a moment of glory; it is an opportunity for them to raise issues concerning the Federal Government.

Because they are irrelevant Country Labor members constantly seek to blame the Federal Government for everything. By blaming the Federal Government they are admitting that they are irrelevant. Earlier today the Minister for Housing blamed the Federal Government for a lack of public housing because it was not providing any money. It is specified in the Constitution that housing is the responsibility of State governments. Every time there is a failure in one area or another Country Labor members blame the Federal Government. The Carr Government is not accountable. This urgent motion is another example. I doubt whether Country Labor members will be able to convince the Premier of New South Wales that he should argue the case on behalf of our constituents. [*Time expired.*]

Mr STEVE WHAN (Monaro) [4.11 p.m.]: In the time that I have been a member of Parliament the shadow Minister has never had anything to say in debates on urgent motions. He never does any research or has anything to say about any issue. A classic example was his failure last session to speak in debate on the drought. He relies on the older and wiser people in The Nationals to speak in any debate. Country Labor discussed this important issue at its conference at the weekend, a conference that was extremely well attended by people from all around country New South Wales. The Federal Parliament needs to address this important issue relating to the management of the Condamine-Balonne River, one of the major tributaries of the Barwon-Darling River. Recently, we saw aerial photographs of Cubbie Station and the giant levee banks that have been created to divert so much of the river. Graziers in northern New South Wales used to rely on river floods to give some fertility to floodplains in the area. That no longer happens because the greedy Queensland Government is locking up the river system. That is having a terrible effect on farmers in New South Wales who should benefit from that river flow. It is also having severe environmental effects.

In 1996 Narran Lakes, a wetland of international significance, recorded the third largest straw-necked ibis water bird breeding event in Australia. Narran Lakes, part of a lake system that has been listed under the international Ramsar convention, has been starved of water as a result of the greedy actions of the Queensland Government. Narran Lake Nature Reserve, which was dedicated in 1988, is on the register of the National Estate. It is being starved of water as a result of water storages in Queensland—storages with a capacity of over one million megalitres, or about the same capacity as all the on-farm storages in the whole of the New South Wales section of the Murray-Darling Basin, a massive proportion of the flow from this area.

Apparently the Queensland Government is allowing this environmental ruin. Queensland published a draft water reserve plan that, if adopted, would decimate the livelihoods of graziers downstream. We need some strong action to ensure that this is stopped. Having witnessed the performance of the shadow Minister, we are not confident that New South Wales Nationals are capable of telling their colleagues in Canberra that they should take action. This water should flow across State boundaries. Country Labor members are willing to tell people, even if they are members of a Labor Party government, that they have got it wrong. We put New South Wales residents first, unlike members of The Nationals.

People might ask, "Why is the honourable member for Monaro concerned about this issue as it is a long way from Monaro?" It is a long way from Monaro, but the rain that falls in the Snowy Mountains area eventually goes into the same river system. Today I have had cause to wonder whether members of The Nationals understand that the Darling River is not in the Monaro electorate. Yesterday I saw one of their budget press releases. The Hon. Melinda Pavey, MLC, criticised me and said that I had not delivered any money. She said:

Wild dog attacks in the Monaro region are on the increase.

She also said that there had been a cut to wild dog funding. She then said:

The wild dog destruction board spent \$1.1 million last year but has only been allocated \$200,000 for 2004/05.

Apparently she thinks that that will have implications for the Monaro electorate. The job of the Wild Dog Destruction Board relates to the Western Division and not to my area. It makes me wonder whether Opposition members know where Monaro is. They probably think that the Darling River flows through my electorate, given the ineptitude in geography they demonstrated yesterday. What an appalling performance from The Nationals! They consistently defend anyone who attacks New South Wales. From what we have heard in this place, anyone who attacks New South Wales is a friend of The Nationals. We require bipartisan support. We need to tell the

Queensland Government that this is not on. It must give New South Wales farmers a fair share of this water, which should flow across the border and into New South Wales.

Mr IAN SLACK-SMITH (Barwon) [4.16 p.m.]: Thank goodness we have a Federal Government in Canberra! If we did not this House would sit on only one day every year. No matter what happens in this place it is always the fault of the Federal Government. Either it has not supplied the money that is required, or it has not done this or that. Why does this Government not fix up its own backyard? I agree with the urgent motion that was moved by the honourable member for Murray-Darling. However, before he starts jumping up and down and urging the Federal Government to do this or that he should fix up his own backyard. What water mitigation programs has this Government put in place in New South Wales? If this Government did some work on the Menindee Lakes project, Broken Hill would have an adequate water supply.

Mr Steve Whan: What about the wetlands?

Mr IAN SLACK-SMITH: A few weeks ago the Premier was quoted in the *Land* as saying that the Macquarie Marshes had had a definite effect on the Balonne and Culgoa rivers.

Mr Gerard Martin: That is rubbish. He did not.

Mr IAN SLACK-SMITH: The article to which I refer can be found on page 23 of the *Land*. The Macquarie Marshes have had an effect not only on the Condamine-Balonne River. They have also had an effect on the Birrell, Bokhara, Culgoa, Warrego and Narran rivers, which were mentioned earlier by the honourable member for Murray-Darling. They all contribute to the Darling system. I note the presence of the honourable member for Monaro. I am not too sure where Monaro is because he has always been so silent in this place; no-one really knows who he is representing or where Monaro is. He is very jealous that Barwon has water and is going along okay and Monaro is suffering a drought at the moment. The honourable member for Monaro should fix up his own patch.

Mr Steve Whan: Point of order: The honourable member for Barwon is straying off the point. I am jealous of the water in his electorate. My farmers are doing it tough and I thank him for acknowledging that.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! There is no point of order.

Mr IAN SLACK-SMITH: Don't worry, my turn will come and we will be in drought very soon. We all take turns and no-one ever misses out. The honourable member for Monaro should fix up his own backyard first. The Government has got rid of 600 people from the Department of Agriculture, cut research and development, and cut extension services and irrigation techniques. Research and development can make water efficiencies so much better than they are today and this Government has cut them, thank you very much, Michael Egan, Treasurer of New South Wales. It is a total disgrace to cut \$60 million from the agriculture budget. The Government is yelling and pleading to the Federal Government. We are dealing with three Labor States—Queensland, New South Wales and South Australia—and this Government is being duded every time.

Peter Beattie refused to buy Cubbie Station because he reckoned it was doing a pretty good job. This Government will have to wear the fact that Peter Beattie beats it every time. The Opposition considers that Peter Beattie will continue outdoing the Premier of this State. There is no doubt that Peter Beattie is probably the best Premier that Australia has ever seen because he outdoes the Premier of this State every time. But we are not helping ourselves; we are not trying to get the best bang for our buck with the water we already have. Although I support the honourable member for Murray-Darling, I think New South Wales can do a darn sight better than it has been doing lately in relation to the hard work of achieving water efficiencies, research and development, and getting genuine dollar amounts. The Government should fix up its own backyard. Thank goodness for the Federal Government because otherwise this Parliament would sit only one or two days a year.

Mr GERARD MARTIN (Bathurst) [4.21 p.m.]: I join with my colleagues on this side and I hope with members on the other of the House in supporting the motion. The members of The Nationals seem to think that the motion is an attack on the Federal Government, but it is far from that. We are asking, under the national water initiative, for co-operation between New South Wales and the Federal Government. We know that the Minister for Natural Resources, a leader in water management, has the endorsement of the Deputy Prime Minister, John Anderson. They are twin souls. John Anderson has said on the public record what a magnificent job the Minister for Natural Resources has done in this area. The Opposition is mistaken. We are not attacking the Federal Government but we do want to make a concerted effort together with it.

I support the Minister for Infrastructure and Planning, and Minister for Natural Resources on his efforts in trying to right one of the most obvious examples of poor water resource planning in recent years. That example highlights the need for a national water initiative that will provide a solid platform for water management planning in the decades ahead. I am absolutely certain that any scientific and unbiased review of the draft Condamine-Balonne plan will produce a finding that that system is overallocated—we have heard that before; that it does not properly address the issues of downstream communities; and that it is not environmentally sustainable.

As we are on the verge of signing a watershed agreement in the development of water resource planning in Australia we should not make the same mistakes that were made when the Murray-Darling Basin Cap was agreed to in 1995. In 1995 there was a loophole that has resulted in the Condamine-Balonne draft plan we see today. The national water initiative needs to ensure that never again will we see the planning process ignore the just claims of a large proportion of a catchment community and the legitimate needs of the environment to have sufficient water to maintain ecological viability. The national water initiative is all about proper water resource planning that is not hindered by State boundaries, and about State boundaries not providing an avenue that permits unfair exploitation. That is what this argument is all about and it is what we are trying to address.

The legislation also needs to be retrospective to the extent that the sins of the past, such in as the Condamine-Balonne plan, will be rectified. The rectification of the Condamine-Balonne plan should provide an example of what the national water initiative is designed to achieve. It should provide an example of how the States can work together to produce a water resource plan that delivers a balanced outcome for all the community in the catchment and recognises the needs of the wider basin. One justification voiced for the transfer of wealth from the grazing community to the irrigation industry in the Condamine-Balonne was that water should go to the highest value usage. We endorse that principle provided that third party impacts are quantified and do not decimate the livelihoods of the affected party. Water resource planning is about balance, not exploitation of the environment or other sections of the community. I am sure honourable members opposite would agree with that.

The national water initiative also promotes the freeing up of interstate trading of water rights. This implies the goodwill of each State to accurately determine and specify its own water rights. This will provide certainty to the water market to understand what each State's water rights are worth. To do this the water rights of one State should not be allowed to be manipulated to the extent that they affect the values of another State's rights. The Condamine-Balonne plan is an example of development in that valley reducing the value of the rights of downstream users. Again the national water initiative must ensure that cannot occur. The problem is a classical case of a line—a State border—and perhaps an accident of history. Irrespective of the political persuasion of the Government on the northern side of that river, this Government would take exactly the same view. The Government is all about New South Wales on this issue. We are asking for bipartisan support. We do not care whether the Government in Queensland is red, blue, green, indigo or violet. We are saying that this Government has played a leading role in getting the national water initiative underway, through the first-class Water Management Bill that was introduced by the Minister for Infrastructure and Planning, and Minister for Natural Resources and publicly acknowledged by John Anderson.

We are not attacking the Federal Government, despite what the honourable member for Barwon and the honourable member for Murrumbidgee said. The contribution of the honourable member for Murrumbidgee was deplorable. The honourable member for Barwon should be brought back on to the front bench because at least he has a bit of background and does a bit of work. We just heard another lazy effort by the honourable member for Murrumbidgee, who completely missed the point. All this Government is saying is "Let's ask the other States and the Federal Government to make sure that this environmental disaster—that is, Cubbie Station—is not allowed to continue." Under the auspices of the national water initiative we ask other States and the Federal Government to do that.

Mr PETER BLACK (Murray-Darling) [4.26 p.m.], in reply: I thank honourable members representing the electorates of Murrumbidgee, Monaro, Barwon and Bathurst for taking part in this debate. Like the honourable member for Bathurst, I was surprised by the contribution of the honourable member for Murrumbidgee, which was way off the mark and not on the subject. As a generality, I say that the honourable member for Murrumbidgee should get a hat just to demonstrate that he has got something above his collar! In relation to his accusations about Country Labor, as a result of incorrect statements by Duncan Gay last night statements were made today that funding of rural counselling services is being cut. In fact, funding is being increased by \$21,000.

It is absolutely outrageous to make statements that this Government is cutting funding for the drought because this year's budget provides \$31.8 million for the farming community. Last year the allocation was only \$22 million but the Government ended up spending \$31.8 million. The other extraneous matters referred to by the honourable member for Murrumbidgee deserve to be mentioned. Quite clearly, he wants to talk about anything else but the subject at hand. The fact is that on 17 May 2004 the Minister for Infrastructure and Planning, and Minister for Natural Resources wrote to Queensland Minister Robertson outlining why the Queensland draft water resource plan was completely unacceptable to New South Wales, and formally submitted the New South Wales Government's response to it. The draft water resource plan and the New South Wales response received considerable media attention, which no-one can deny, with the Queensland and New South Wales Premiers and natural resources Ministers openly challenging and debating with one another.

I have previously referred to Tony Eastley who spoke this morning in Broken Hill on *AM*. I had the pleasure of briefing him last week on this very subject and matters are proceeding. Certainly there is media interest. Queensland Minister Robertson indicated on 23 April, in an interview on 2WEB—the Bourke radio station, which everyone in Barwon listens to—that, while he sympathised with grazing interests in New South Wales, there was no possibility of changing the plan, an "action that would have reverberations back as far as Toowoomba". I quote there from what Minister Robertson said on 2WEB. Premier Beattie appears to be somewhat more conciliatory, for he is quoted in the Queensland *Sunday Mail* of 24 May as saying:

I just say to Bob [Carr] we had a constructive outcome on Tugun [road bypass] today and we'll work on water next.

I do not know how much he will deliver. The simple situation is that the total on-farm water storage capacity on the Condamine-Balonne in south-west Queensland has grown from a total capacity storage of 300 gegalitres in 1994—the honourable member for Barwon nods his head to confirm those are the facts—to now be 1,500 gegalitres. That is the source of our problem. It is the source of discontent in electorates such as Barwon and Murray-Darling, the two New South Wales seats most affected. Minister Knowles again wrote to the Commonwealth Minister for the Environment, Dr David Kemp, on 8 June this year, requesting the Commonwealth's intervention and investigation under the Environmental Protection and Biodiversity Act. To my knowledge, we have not received a reply to that approach to Dr Kemp. So Labor is trying to do something about this problem. The volume of water storage has increased fivefold. When the rest of us in the Murray-Darling were doing the right thing by the cap, which caused tremendous problems for Bourke, those on the other side of the river entertained no concern whatsoever.

I cannot understand at all what was said by the honourable member for Barwon about the Macquarie Marshes. One reason that the grasshopper plague extended so far south this year is that there has been no water in the Macquarie Marshes for almost three years, meaning that the water birds have not bred and are not there in numbers to eat the locusts that come through. I conclude by referring to what was said by a constituent of the electorate of Barwon, Pop Peter at Brenda Station, on the Culgoa River. He described the current situation as dire and catastrophic. When rain fell in the lower Balonne last December and the system experienced its first significant inflow since 1998, the expectations at Brenda Station were that the water would get out of the channel profile and go over the bank into the flood plains. That did not happen. The water went to other irrigators. I finish on these damning words: Cubbie Station.

Motion agreed to.

STATE FORESTS SOFTWOOD PLANTATIONS PRIVATISATION

Matter of Public Importance

Mr ANDREW FRASER (Coffs Harbour) [4.33 p.m.]: The matter of public importance I raise today is the future of the softwood plantation industry in New South Wales. This industry is of vital importance to residents in rural and regional New South Wales, especially communities in the electorate of the honourable member for Bathurst, the honourable member for Monaro, the honourable member for Berrinbuck and the honourable member for Wagga Wagga. The softwood plantation industry employs thousands of people and contributes between \$1.7 million and \$2 billion a year in prime product to the New South Wales economy. Yet last year Minister Costa announced in Wagga Wagga that he intended to sell the plantations on which downstream processors are so reliant for their businesses.

After that Cabinet authorised a scoping study of the proposal by ABN AMRO and Jarko Poyry. To the credit of the Minister for Natural Resources, I understand he rejected the interim report that was given to him in December last year and sent it back. The interim report, I am led to believe, recommended to the Government a

total sale of the plantations. But the intention remains because Treasury is driving the proposal, and the Treasurer yesterday spoke about a deficit of \$379 million. To fill that black hole, the Treasurer wants to flog off these forests to the highest bidder. That is completely unacceptable to the Coalition, especially given impending investments made by downstream processors in the areas of Tumbarumba, Tumut and Oberon.

In the past six months or so I have visited those areas. I acknowledge the honourable member for Wagga Wagga is in the Chamber today and the fact that he would like to have spoken in this debate, but there is a limit on the number of speakers. The honourable member for Wagga Wagga, the honourable member for Bega and I went to Tumbarumba and looked at the Hyne mill. That operator is spending \$110 million upgrading that mill to employ hundreds of people. I went to Visy, which has a stage two investment, also of about \$110 million, to install a second production line in that plant. Carter Holt Harvey, at Oberon, a plant I visited on two occasions, is considering huge investment in that plant. But, at the moment, with the exception of Hyne, which has already made half of its investment, the other operators are extremely nervous. Why? Because they do not want this resource sold to overseas investors, who could then dictate to the Australian market how and where that pine will be sold.

These industry operators have contracts for up to 30 years—some for pine that is not even planted as yet. I digress to note that yesterday's budget did not contain any expenditure items for State Forests. The reason is that as of 1 July State Forests will be transferred to the new Ministry of Primary Industries and the Government had not had time to get that aspect of the budget papers organised. I cannot accept that, because we should be able to tell from the budget papers whether or not the Government has spent the \$14 million that was set aside last year for softwood plantations. I do not believe it did. I do not believe the Government is considering the needs of companies that are making much-needed investment in the industry. Is it any wonder that major downstream processors, such as Hyne, Visy, Carter Holt Harvey, and Weyerhaeuser are nervous about any proposed sale of these plantations?

What guarantees will those operators be given regarding simple measures such as the fire protection of those forests? What guarantees will they be given about continuity of supply? What guarantees have they been given, or what discussions have been had, about whether this industry resource will be sold as one lot, or in parcels? If it is sold in parcels, will force majeure clauses be included so that in the event of a major fire, such as the Brindabella fire in Canberra last year, when Oberon pine resources were wiped out, they will be able to source pine at a reasonable price from another area? I am not suggesting that the resource should be sold in one lot or two. In fact, the Coalition is suggesting it should not be sold.

We say there is a cost to selling this State-owned resource, which adds about \$100 million a year to the coffers of New South Wales, and therefore we should retain it. If the Government sells the resource, there will be a short-term gain only. Let us say we believe the figures that the Treasurer and others have put out, and that there will be a return of \$750 million. The book value is somewhere between \$1.1 billion and \$1.5 billion. The current State debt is \$100 million. The cost of the sale of the resource—with the forward sale of timber and lease of land—is somewhere in the vicinity of \$40 million to \$100 million. So the net loss in income to the State will be \$600 million over the next ten years. The loss of annual salaries of the 370 directly-employed State Forest employees will be about \$210 million over the next ten years. At the end of the day that means that the net loss to the people of New South Wales over ten years will be \$250 million. All this is to fill a budget black hole created by the mismanagement of this Labor Government. This has been at a time when New South Wales has had record revenues of \$8.5 billion over the past ten years. Yet we have nothing to show for it.

The Treasurer, the Premier and Treasury are so desperate to fill the coffers that they would flog this resource, which so many people rely on for their living. The people of Bathurst and Oberon do not want it sold, because in a small town like Oberon it brings in an average salary of \$65,000 for the people who work in the mill. That is a great salary in a regional area. The honourable member for Bathurst moved a motion at the Country Labor conference calling on the Government not to sell the softwood plantations. But he is now saying they are not really selling them, they are just looking at ways of improving the efficiency of the softwood plantations, and that may include privatisation; but they definitely will not be sold. Perhaps I do not have the same economic capacity as the honourable member for Bathurst, but I suggest that the privatisation of a resource such as softwood pine plantations would mean they would be sold and would no longer be under the control of the State.

When the Government starts hiving off a once-great organisation like State Forests into the Primary Industries portfolio and using someone who is unknown and not recognised in regional and rural New South Wales—Mr Macdonald in the other place—that signals clearly to me, the industry, and people in regional New

South Wales that the Government does not care for them or their regions. They are quite happy to reap a short-term benefit while the people of regional and rural New South Wales suffer a long-term loss. Why is the honourable member for Bathurst not in the House to discuss this matter? There is a speaking spot for him. I note that the honourable member for Monaro will probably take part in the discussion, but I would suggest that the amount of pine in his electorate would be minuscule compared with the pine plantations in the electorate of the honourable member for Bathurst. Wilmott has made a great investment in Monaro, and they, too, are absolutely fearful of the sale of these assets and the lack of control and investment opportunity they will suffer if this resource is flogged off to the highest bidder.

The Government may deny it, but I know for sure and certain that at the moment a major Dutch-based bank in Australia is looking to put together a consortium of overseas superannuation funds to buy the area. We will have no guarantee of, and no control over, access to the forest, nor will we have control over road upgrades. State Forests spends \$30 million a year on upgrading roads in the pine area. We will have no guarantee of future investment because of the lack of surety. We will have no guarantee that current fire management regimes will be maintained by overseas investors. It is a real cost, but the government has an obligation to protect its assets by having fire regimes in place. I will introduce legislation to protect these plantations and the people who benefit from them. [*Time expired.*]

Mr STEVE WHAN (Monaro) [4.43 p.m.]: I thank the honourable member opposite for giving us the opportunity to talk about State Forests pine plantations. He said he felt that the pine plantation industry in Bombala was perhaps not as big as it is in some other areas. It may not be the biggest—approximately 45,000 hectares of pine plantation combined with the resources of State Forests and Wilmott—but it is certainly of great significance to the region and to the economic development of the Bombala area, and the Government has acted proactively to assist the development of the area. Wilmott has been working in the area for many years developing privately owned pine plantations. It is keen, if it can, to develop another 15,000 hectares over the next decade or so because that would give the region a sustainable 60,000 hectares of resource for mills in the area. Since Wilmott bought the prime pine operation it is now the biggest employer in Bombala. It is a significant part of the community. It has certainly received a lot of support from both State and Federal governments to develop the area.

The State Government assisted Wilmott to build and fit out its headquarters at Delegate and it has provided an important new source of employment for the area. Wilmott has been developing what was previously agricultural land. The Government has allocated \$150,000 to try to ensure that planning for the project is done sensibly and on a region-wide basis. It is important to the future of the plantation industry that we ensure it can progress and coexist happily with the existing successful agricultural industry. It is of some concern in the Bombala-Delegate community, but I hope it will be resolved over time. Both the softwood plantation industry and agriculture are important. State Forests has been operating for many years in the Bombala area. This is a great example of how important it is that the State Government and State Forests retain control over the harvesting and management of the asset.

In the Bombala area the Timberrmans Group was granted 300,000 cubic metres of wood supply for a long time on the condition that it build a mill in Bombala. It is a key way the State Labor Government uses State Forests as a regional development tool. State Forests is responsible for managing 238,000 hectares of softwood and hardwood plantations in New South Wales. The Government recognises that State Forests performs a vital role in the management of valuable natural resources. We want a sustainable future. The Government has a proud history of managing our natural resources to support industry and environmental outcomes, which is precisely why the Government is looking at a range of options to ensure that the State's forestry industry remains competitive and sustainable, and continues to provide jobs in regional areas. No decision has yet been made on the best way forward for State Forests. On the weekend I noticed a completely incorrect article in the *Sun-Herald*, which, I am sure, has fuelled some of the Opposition's comments today. It is interesting to note that we are seeing such speculation when I know a decision has been made. The Government is consulting with a lot of stakeholders.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! I call the honourable member for Bega to order.

Mr STEVE WHAN: The union movement is particularly involved in the process. Last weekend the Country Labor Conference had a constructive debate on this issue, which involved the unions. I spoke to it, as did the honourable member for Bathurst and a number of other delegates to the Country Labor Conference, the biggest rural political conference in Australia. The motion passed at the conference states very well Country Labor's position. The conference recognised that State Forests are an important public asset and opposed any

change to the ownership of the industry that threatens employment, fire fighting capacity, public access, and rural community services. The conference opposed any changes to the structure of the forest industry that would negatively impact on sustainability. The conference called on the Government to continue to consult with stakeholders. The thing about a Country Labor Conference as opposed to a New South Wales National Party Conference is that we have State Ministers involved. We have the capacity to influence decision making by representing our community.

The Government is undertaking a review and considering the full range of options, including the future structure of forests to ensure the sustainability of the industry. The Government established a working group of representatives from a number of State Government departments following meetings with local council employee representatives in Sydney late last year. The working group has visited plantations and processing operations, including Tumut, Tumbarumba, Bathurst and Oberon, to see and hear about first-hand regional issues of concern. The unions and communities will continue to be consulted as part of planning for the future of the industry. Consultation will take place with recreational users before a final decision is made by the Government. I have gone on record in my local media as saying that I am concerned about aspects of any loss of control of our State forests. I have gone so far as to say that I am opposed to the sale of our State forests. I have previously referred to the key issues, and I know the Government is taking those issues into account because Country Labor members and I have spoken to the Premier and to the Minister for Natural Resources. Unlike The Nationals, Labor members actually have their voices heard.

Ms Alison Megarrity: They do not have many to be heard.

Mr STEVE WHAN: There are not many Coalition voices, that is true.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! The honourable member for Coffs Harbour will come to order. He will have the opportunity to reply.

Mr STEVE WHAN: As I said before, there are important regional development opportunities inherent in State forests, but there are other important matters to consider. We know that State Forests is an excellent fire manager, and our rural communities cannot afford to lose that expertise. I will certainly be making my best efforts to ensure that the firefighting expertise of State Forests is retained. There was a marked contrast early last year between the way that fires swept through pine plantations surrounding Canberra and the way that State Forests protected its plantations. Public access is also a critical issue. State forests are being increasingly used as an important recreational space for people in regional New South Wales. They are a very important tourist attraction.

I mention for the sake of those who might be interested that the Bondi State Forest, near Bombala, is one of the best venues in the region for mountain bike riding. Accommodation is available for people who want to undertake day trips on mountain bikes. The forest is a very important part of local tourism that should be more widely promoted—which is what I am trying to do now. I acknowledge what the honourable member for Coffs Harbour said about the vital role of State Forests in maintaining the roads infrastructure. The budget has allocated funding for important roads at Mila near Bombala, and over \$1 million has been earmarked for the construction of access roads to the proposed new mill by the Roads and Traffic Authority—something that the community has wanted for many years. Control by State Forests of regional woodland areas provides a fulcrum for secondary benefits to flow through to local communities.

I am pleased to inform the House that early in the proposal, Country Labor undertook discussions with a number of local mayors to ensure that their concerns relating to regional development were being heard. Although the consultation process has been lengthy, I know from what the Premier and the Minister have told me that their concerns are being taken into consideration. People should not believe what they read in the Sunday papers about what is happening in State forests. After all, Coalition members are the princes of privatisation, judging by their appalling record on the sale of government assets, yet they adhere staunchly to the principles of privatisation. I recall that last year they were reluctant to criticise the Federal Government's decision to sell the remaining public interest in Telstra, which is a vital government asset to the people of regional New South Wales.

The honourable member who preceded me in this debate referred to a so-called budget black hole. Coalition members keep asking where the money has gone. They know where the money has gone, because statistical information related to disbursement is set out in detail in the budget papers. Before the 2004 budget was presented, there was an 87 per cent increase in health allocations, and massive increases in education funding that are worth more than \$10 million. For country New South Wales, the health allocations were doubled.

[Interruption]

The honourable member for Bega's interjection is a beauty, and I wish I had time to respond to it. On the radio this morning, he said the Government had cut funding for the control of wild dogs in Monaro. He backed up The Nationals press release that stated that the Government had cut funding in Monaro because the Wild Dog Destruction Board's funding had been cut. I point out that the Wild Dog Destruction Board covers the western region of New South Wales and includes cities such as Broken Hill. He does not even know where Monaro is. [Time expired.]

Mr DARYL MAGUIRE (Wagga Wagga) [4.53 p.m.]: I support the remarks of the the honourable member for Coffs Harbour relating to the future of the softwood plantation industry in New South Wales. At the outset I acknowledge the strong interest in this matter taken by my good friend the honourable member for Bega. The real issue in this debate is what the future holds for the softwood industry in electorates represented by Coalition members. Yesterday members of this House listened to the Treasurer deliver his Budget Speech. We noticed that very little attention was paid to future planning and that there was barely a mention of plans for State forests. An article by Brett Clegg in the *Australian Financial Review* suggests that an outright sale appears certain and that the Treasurer, the Hon. Michael Egan, has already been counting on the cash to enable him to balance next year's budget.

Today on ABC radio I was asked how the Government will bring the budget back into surplus by the next State election in 2007 if this year's budget and next year's budget will result in deficits, and I can see only two solutions. One possibility is that the Treasurer will sell State forests and the other is that the Treasurer will raise taxes and charges. One or other of those alternatives is inevitable: The Treasurer will either impose heavier taxes and charges or resort to selling the last valuable State asset, softwood plantations. I represent several communities that depend on State forests. The honourable member for Coffs Harbour mentioned Tumbarumba, which has been the site of \$140 million investment over the past two years. The survival of Holbrook depends on the timber industry, and the people who live there want to know what the future holds for them. At the moment the uncertainty hangs over their heads like the sword of Damocles.

Many businesspeople in the towns of Holbrook and Tumbarumba are distraught because this Government makes its decisions behind closed doors. Its idea of consultation is a short discussion with some of its Labor mates, and it is certainly not talking to those who really matter—the people whose lives are inextricably linked to the softwood plantation industry. Business people have invested in the timber industry. There are sawmills in Holbrook and Tumbarumba. An investor has purchased land in Tumbarumba on which to construct 100 houses. Seven houses have already been completed and they are being sold or rented to people who have been attracted to employment in the softwood plantation industry, such as executives from the Hyne Timber mill. People with expertise in milling have been attracted to the town, and the mill is concerned, as it should be, about who will control and manage State forests in the future.

Land-holders are also concerned, especially those whose properties are contiguous with State forests and who experience problems relating to fires and the control of feral animals. Some farmers have extended their fences by the inclusion of two extra rows of electrified wire as well as a bottom wire to keep feral animals out of grazing paddocks and crops. The problems of fire associated with forest plantations are evident from bushfire damage that has wreaked havoc in many electorates. Communities are very concerned about the type of control and management of fire risk if State Forest plantations are privatised or sold. The communities want to know, and deserve to know, what the future holds.

Access to State forests is also an important issue. The Premier has boasted about the extension of national parks over thousands of hectares, but the community wants access to forest areas. As I said this morning on ABC radio, there are only two solutions to the dilemma facing the Premier and the Treasurer, and if they choose to privatise State forests they should begin a process of community consultation immediately. The community needs to know what the future holds. Considerable expansion of State forests has been undertaken and businesses have made decisions based on those projected expansions. As plantations expand, residential and farming areas contract and local populations decrease. Communities need to be given advice about the implications of those factors. Control of fire risk and the management of forest plantations require a considerable work force, which is usually drawn from local populations. If people move out of forest areas, the Government will not be able to rely on local people to control risk and carry out management. The community demands responses to the issues I have raised.

Mr ANDREW FRASER (Coffs Harbour) [4.58 p.m.], in reply: I thank the honourable member for Monaro and the honourable member for Wagga Wagga for their contributions to the debate. I draw to the

attention of the House the fact that the Government's decisions on the future of softwood plantations will not be subjected to the scrutiny of this Parliament. The processes separately involve the sale of timber as an asset and the lease of the land. The Opposition demands security in relation to these transactions. I note with interest that a motion moved at the Country Labor Conference last weekend called for exactly the same form of security. Country Labor members do not want anything to threaten the timber industry. They do not want anything to threaten the viability of their communities. They want to ensure that this industry remains viable. The motion was moved by Craig Tate from the Australian Workers Union and seconded by Grahame Kelly of the Construction, Forestry, Mining and Energy Union. I support their intentions. The best way to ensure a favourable outcome is to retain the forests wholly and solely in State ownership. It is interesting that the honourable member for Bathurst—that economic genius—did not contribute to this debate. The motion states:

That Country Conference recognises that State forests are an important public asset and opposes any change to the ownership of the industry that threatens employment, fire fighting capacity, public access and rural community services.

In reality, the supporters of this motion are quite happy for State forests to be flogged off to the highest bidder so long as the Treasurer or the Minister gives an assurance that the areas mentioned in the motion will not be threatened. The motion also says:

Conference opposes any changes to the structure of the forest industry that will negatively impact on sustainability.

If the Minister says that the Government will ensure that that does not happen, the supporters of this motion will be happy. But unless we legislate for those guarantees in this Parliament, anything could happen. Businessmen in an American boardroom could say, "Hey, we need a bit more cash in the super funds this year so we'll harvest 30,000 or 40,000 hectares and flog those logs overseas to the highest bidder just to get the cash." We need guarantees regarding the 30-year contracts that Visy and other companies have signed for pine that has not yet been planted. The optimal time to harvest pine is 31 or 32 years after planting. In other countries where pine plantations have been privatised the pine is harvested 22 years after planting because the earlier return on investment is all-important. But the best way to maximise the investment return on pine is to leave it in the ground for 30 to 32 years.

While I commend the intention of the motion, it does not oppose the sale of State Forests plantations to private industry. That is the truth. The honourable member for Monaro said he told the local media that he opposed the sale. I challenge him to repeat that statement in the House. His mate the honourable member for Bathurst can help him to block the sale. I believe we will see on this issue a repeat of what happened with the clubs tax. Some 34 Labor members will move a motion in caucus opposing the policy, the Premier will issue threats and carry the motion on his vote, and State forests will be flogged off to the highest bidder.

That scenario does not offer any guarantees to the industry or to the downstream processors that are prepared to invest hundreds of millions of dollars in this valuable renewable resource industry. The product of these plantations is used in homes and in businesses. We can store carbon in our desks, on walls, and in the frames of our houses. Any proposal to sell State forests will squash investment interest on the part of large investors, many of whom I believe will walk away from the planned expansion of their industry. We do not want to see that. We want the softwood plantations to be retained in State ownership.

Discussion concluded.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! With the consent of the House I propose to proceed to the taking of private members' statements forthwith.

PRIVATE MEMBERS' STATEMENTS

SIRIUS COVE ROAD, MOSMAN, SEWER PIPELINE

Mrs JILLIAN SKINNER (North Shore) [5.04 p.m.]: I draw the attention of the House to a matter that is of great concern to the residents of Mosman and has been raised with me by Mosman council. I acknowledge the presence in the public gallery of the Mayor of Mosman council, Councillor Shirley Jenkins, and the General Manager of Mosman council, Viv May. I am very pleased that they are here as I know how much importance they place on this matter. The overhead sewer pipeline across Sirius Cove Road, Mosman, has been there for decades. It is accepted by the local community; it is not a problem. However, NSW Fire Brigades has purchased

new fire trucks that are higher and cannot pass under the sewer pipe. There has been much discussion about what can be done to resolve this problem. It is an urgent and important matter because fire trucks cannot attend any fire that breaks out in the area of Sirius Cove, which is heavily wooded and backs onto part of Taronga zoo. What will we do if that happens?

Mosman council has taken a reasonable approach to this problem. It has raised the matter with the Minister for Emergency Services, Tony Kelly, and the Minister for Energy and Utilities, Frank Sartor, but it has received no response and no admission that the State Government has any responsibility in this matter. Mosman council is prepared to negotiate a joint arrangement under which all parties contribute to resolving the matter, but it has run into a brick wall. On behalf of Mosman council and the residents whom we both serve, I put on the record of this Parliament our request—I hope that the Parliamentary Secretary, the honourable member for Menai, will raise this serious issue with her colleagues—that the Government get real about its responsibilities and resolve this problem. It appears that the road will have to be lowered in order to fix the problem. That will not break the bank, particularly if all parties make a financial contribution. The council cannot cover the prohibitive cost of this work alone; it is not a huge council area and the council has established its budget. This problem is not of its making; it has been caused by the change in design of the new fire trucks.

We have been told that old fire trucks can still access Sirius Cove, but what will happen if we have another bushfire season like the recent one, when fire trucks were sent far and wide and were not always available locally? Perhaps the old fire trucks will be pensioned off and the fleet will comprise only modern trucks. Everyone wants to see modern fire trucks and firefighting equipment but we must ensure that they can be used to help all residents who require assistance. There are many trees and much vegetation in this part of the world and it is imperative that local residents can live free from the fear of a bushfire or a house fire breaking out that cannot be accessed by the fire brigade.

This is one of the most important matters I have brought to the attention of the House. New equipment cannot be used to fight fires in a fairly substantial part of a suburb in my electorate. I am sure honourable members will agree that that is a real problem. I believe that Ministers or the Government would not want to take responsibility for any injury to individuals or damage to property that resulted from their bloody-mindedness and failure to help to solve this problem. I urge urgent action on this matter; it must be dealt with sooner rather than later. I am sure that Mosman council is prepared to meet with either Minister, their representatives, or any other member of the Government to find a way to equally share the financial responsibility for fixing this problem. Mr Acting-Speaker, I am sure that if a similar problem occurred in your constituency you would raise this matter urgently in this Chamber and stress its importance. I call on the Government to address this matter forthwith.

ROAD SAFETY

Mr PAUL GIBSON (Blacktown) [5.08 p.m.]: In mid-2003 I was elected chairman of the Staysafe committee, which is a most privileged position. I proposed that it was important to commence an inquiry into speed and motor vehicle design. I remind honourable members that almost 600 people die on New South Wales roads every year. The inquiry is to examine the potential for motor vehicle technologies and to influence and control driving speeds in light vehicles, heavy vehicles, and motorcycles.

The focus of the inquiry is on currently available motor vehicle-based measures that better manage and control speed, that is, on established or emerging technologies. The term "established" is usually used to denote technologies that are already in general use, if not in New South Wales, then in other jurisdictions. The word "emerging" means that the technologies are in use but are not widely adopted and includes prototype installations and experimental trials. The inquiry is reviewing speed management and control systems that relate to vehicle design, including intelligent speed adaptation [ISA], cruise control, speed alarms that are set by the driver, on-board monitoring of vehicle speeds during journeys, and speedometer scales and ergonomics.

Some 10 or 15 years ago New South Wales was the world leader in many areas of road safety, but it is now lagging behind. New South Wales was a world leader in occupant restraint—particularly when it came to the safety of babies and young kiddies in cars—and in areas such as bus safety. We have lost a lot of that expertise; we became more reactive, less experimental, more into using consumer demand, and less likely to pursue regulations to deliver vehicle safety benefits. One of the initiatives of the Staysafe Committee is getting out and looking at what other jurisdictions are doing. In Australia today the leading focus would be the SafeCar project in Victoria—which recently was on show in Orange, in the central west—and the Australian New Car Assessment Program. Another initiative is to look at overseas development, initiatives, trials and experiments.

The motor vehicle industry is a global industry. We no longer have national manufacturers; we have instead regional manufacturers that have gone global, including Ford, General Motors, Renault, Toyota, Volkswagen, Mercedes Benz and Volvo, all of which are subject to increasingly smaller corporate ownership. The pressures of competition mean that decisions about the engineering of Australian-made vehicles are made in Detroit, Tokyo, Seoul, Paris or Munich. To understand the potential for motor vehicle technologies to influence or control driving speed in light vehicles, heavy vehicles, and motorcycles there is a need to look beyond New South Wales, and beyond Australia. To that end I have requested approval for a further overseas study tour to Europe. Last year the committee went to Europe and looked at the trials of the first stage of the ISA, which provides that all vehicle speeds be controlled by satellite.

The technology is available for that today. Europe maintains that by 2019 all vehicles in Europe will drive under that system. Australia must keep up with that development. The system could be applied here within five years. In a few weeks time England is moving to stage two. I have suggested that we should be there to participate in that switch to stage two, to bring this country up to speed on ISA. It is only by global focus that we will be able to best identify recommendations for change and improvement. This may be a simple change, or it may be a major change such as the widespread introduction of ISA technologies.

Along with numerous road safety experts, I believe that ISA is the greatest break-through in road safety ever. It will mean that police will be able to attend to policing and will not have to patrol roads to pick up speeding drivers. We will not need red light cameras because vehicles will not be able to exceed the speed set by the satellite. Technology is fed into the satellite and into car motors at a cost between \$200 and 400 per vehicle. No-one will be able to drive faster than the set speed limit. Currently each year in the world 1.5 million people are killed in road crashes. If ISA were introduced tomorrow, by next Christmas 750,000 lives would be saved. It is only right and fair that Staysafe investigate that system. I have invited the media to meet us in England to look at this breakthrough in road safety and to make their own decisions on it. *[Time expired.]*

TERRIGAL HIGH SCHOOL PERFORMING ARTS SPACE

Mr CHRIS HARTCHER (Gosford) [5.13 p.m.]: Tonight I wish to garner support for a very important issue raised by one of the high schools in my electorate, Terrigal High School. Some honourable members may remember that in 1997 I spoke about a performing arts space for Terrigal High School. One member who would remember my plea for Government support all those years ago would be the then Minister for Education, John Aquilina, now the Honourable Speaker of this House. On that occasion I detailed the concerns of Terrigal's parents and citizens committee about the lack of performing arts space at Terrigal High School, which currently has a student population of 1,255. Terrigal High School is rightly proud of its long history of performing arts and it is only reasonable to expect that the Government would recognise its excellent achievements and realise the school's dream of having a dedicated performing arts space for its students.

The school has entered into the State Government-sponsored Rock Eisteddfod Challenge, an event that promotes fun without the use of drugs, alcohol, or tobacco products. It is a great initiative, and Terrigal High School students have a long history of involvement with the event. Terrigal High School will enter the event this year for the twelfth time; that is, it has competed every year for 12 years. The school has won the premier division of the event once and the Television National People's Choice Award once—a proud history in the event. In addition, Terrigal High School is proud to have been involved in a series of other performing arts events and has achieved results that would be a credit to any school. And these achievements come despite the fact that the school is not a recognised performing arts high school, such as the Hunter Valley Performing Arts High School.

But seven years after I first raised this issue the situation has not been resolved. The quest for a performing arts space started back in 1993 when the school wrote to the then Opposition shadow education Minister to request a promise that the space would be provided as part of its election campaign. The school's prayers were answered when the Labor candidate for Gosford, Tony Sansom, visited the school and promised to have an elected Labor Government build a performing arts space. The school waited in anticipation of a budget announcement as had been promised to it for the 1995 State budget. But nothing happened then and nothing has happened in any State budget since, including the 2004 budget. Terrigal High School has not received its performing arts space. The school has been in contact with the Minister and in 1997 I raised this issue, as previously stated, with the then Minister for Education. Again, nothing has been done.

The current Minister for Education and Training has made little if any progress on the issue and, from what I can gather, has never contacted the school about it. This problem has continued for more than 13 years.

In 1997 the then Minister for Education claimed that local primary schools required immediate attention. No-one argued with that point, and I, as the local member, was quite happy to see the interests of local primary schools looked after. I am sure that publicly Terrigal High School would join that unified voice in agreeing that local primary schools should not miss out for its sake. But the promise made in 1995 and repeated in 1997 that once public school students in my local area—who, in the then Minister's words were in "woeful accommodation"—had been assisted and, to quote the Minister, "taken care of" as a matter of priority, Terrigal High School would be considered.

It is now seven years later and one would have to question how much progress the Government has made. One might suggest that the Government is so inept at managing a few local primary schools that after seven years it still has not taken care of that "woeful accommodation" Terrigal High School students continue to practise on musical instruments in classrooms designed for English and Maths, at the risk of constant disturbance to other students. Students are continually forced to practise plays and performances in science labs and outside areas. Performance spaces are limited to the school hall, which doubles as an indoor soccer field, indoor basketball court, and assembly hall. It is fair to say that sharing this space can become more than difficult at times.

Terrigal High School has produced some excellent graduates. In the field of politics Terrigal High School graduates include Suzanna Ellis, who works in the media team of the Leader of the Opposition, the Hon. John Brogden; Jennifer Chapman, a work experience student working with Coalition members; and my research officer, Timothy Koelma. Some staff of the Federal member for Robertson, Jim Lloyd, are also graduates of Terrigal High School. This excellent school has waited too long for the fulfilment of the promise made to it in 1995. The school deserves a performing arts space. I urge the Government to pick up where Speaker Aquilina left off seven years ago and now consider Terrigal High School's plea and grant it the performing arts space it so rightly deserves.

STATE ENVIRONMENTAL PLANNING POLICY 74

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [5.18 p.m.]: On 1 June this year I wrote to the Minister for Infrastructure and Planning, and Minister for Natural Resources to seek his assistance in revoking State environmental planning policy [SEPP] 74—Newcastle Port and Employment Lands—on the basis that it is no longer essential for the development of industry on Tomago industrial lands and is clearly detrimental to the acknowledged environmental values of the lower Hunter estuary. I reminded the Minister of the significant community concern at the announcement of the gazettal of SEPP 24 on 22 August 2003 and the strong belief that there had been inadequate community consultation regarding that decision.

I referred in particular to an article written by Professor Max Maddock entitled "Critical Events and Development Affecting the Hunter Estuary since 1970", contained in the "Our Green Corridor" briefing document, which highlighted that SEPP 74 was released before any results of the community consultation process for the port environs concept plan, which was announced by the Premier in February 2003, had been made public. The article detailed SEPP 74 as follows:

The plan showed a corridor of width up to 0.7km. The corridor stretched from about 2km east of the Tourle Street Bridge westward along the shore of the south arm of the Hunter River to 4km west of the bridge and northward across Ash Island, over the north arm to incorporate the Tomago buffer land. The land was earmarked for the purpose of a steel making facility (including earthworks associated with site preparation). The plan allowed for infrastructure (including bridges, conveyors, railways) and port facilities (including ancillary dredging). The corridor does not coincide with, and is far wider than, the corridor shown in the Environmental Protection and Biodiversity Conservation Act referral for Austeel. Any development within it is certain to create serious negative impacts on the ecology of the island.

In my view SEPP 74 was brought into effect for one purpose: to facilitate the Government's commitment to provide the Austeel project with a dedicated heavy transport corridor to and from loading facilities located on the south arm of the Hunter River in the vicinity of the Tourle Street Bridge. The projected size of this steel plant, its location offset from the port facility, its production capacity and its raw material input demanded such a corridor. With the demise of the Austeel project that is no longer the case. Medium-term to long-term planning decisions for the site should now be made within the clear context of environmentally sustainable development. That would clearly be in keeping with the philosophy of the Newcastle port and environment concept proposal released by the Premier, which is to develop a footprint for the industrial and environmental lands to ensure the balanced development of the lower Hunter estuary.

It is my view that industrial development in the Tomago buffer land area can proceed without the current environmentally damaging corridor proposed in SEPP 74, especially if the industries that are developed

there are at a lesser scale than the Austeel proposal. I question why there has been no discussion of the development of a rail spur to this industrial estate from the Hexham area, or planning for a road crossing linked to the area from an extended Highway 23 and its connection with the Pacific Highway at Hexham. The current plan facilitated by SEPP 74 would result in a heavy transport corridor being driven across the area recognised as an internationally important wetland.

On one side is the Ramsar listed Kooragang Nature Reserve and on the other is the ongoing work of the Kooragang wetland rehabilitation project and the plans for the Hexham wetlands, which emphasise the environmental values of the lower Hunter estuary. In company with the majority of people in Newcastle I recognise the need to have a vibrant economy to provide jobs for the present and a future for the children in the area. I am also aware of the great pressure created by the withdrawal of BHP and the commitment by the Government to maintain steel making in our city. From the day of the announcement of the closure of BHP the Premier made every effort to attract steel makers to Newcastle, including the Austeel project.

In my view these pressures created a series of circumstances that led to the making of SEPP 74. As the Austeel project no longer exists it leaves the way open for a more rational review of our industrial and environmental assets, with a chance to put in place a sustainable footprint for both that recognises the need for industry development and the precious environmental values—fishing and recreational values—of the lower Hunter estuary. It is time that the Minister took action in relation to this matter, revoked SEPP 74, removed the threat to the environmental values of our lower Hunter estuary and planned for a more balanced development of our port and its environment.

ORANGE BASE HOSPITAL ANGIOPLASTY AND ANGIOGRAM FACILITIES

Mr RUSSELL TURNER (Orange) [5.23 p.m.]: Once again I draw to the attention of honourable members the ongoing campaign and fund-raising efforts of the Mid West Heart Fund so that Orange Base Hospital is able to supply angioplasty and angiogram facilities. I quote from a letter written on 16 October 2002 by Dr David Amos, which was addressed to all those who attended a public meeting convened by him. The letter states in part:

Thank you all for attending our initial meeting for the Mid West Heart Fund. It was great to see such a good attendance. A committee will now be formed who will now take on the job of raising the funds needed to get the angiogram facility up and running.

On 31 October 2002 I gave notice of a motion in the following terms:

That this House:

- (1) recognises the lack of angiogram and angioplasty services in the Central West...
- (3) notes that despite a recognised population of over 200,000 people using other medical services within Orange, these people and others are forced to travel to Sydney to access these services;
- (4) acknowledges the fact that many elderly people refrain from utilising these life-saving facilities because of cost or simply fear of travelling and staying in Sydney;
- (5) notes that it is estimated that in excess of 800 people from the Central West are forced to travel to Sydney each year because angiogram and angioplasty services that are available to all within the Sydney Basin are virtually non-existent in the Central West of New South Wales.

Since 16 October 2002 residents of Orange and other areas in the Central West have raised over \$500,000. That is a fantastic commitment, given that many other areas in the Central West have also raised money and many other services are looking for money. We need a commitment from this Government to match that amount of \$500,000 and to provide these services before any other unnecessary deaths occur. On Friday 4 June an editorial in the *Central Western Daily* stated:

There could be no more compelling reason for the State Government to allocate funding for a cardiac unit in Orange than the death of Gerry Laffin.

The revelation that Mr Laffin died in Orange Base Hospital after waiting six days for a routine diagnostic heart test should appal Health Minister Morris Iemma just as it appals this community.

Mr Laffin's family will never know for certain whether earlier diagnostic treatment would have saved his life but there is not a shred of doubt that a cardiac unit at Orange Base Hospital would have at least improved his chances of survival.

While Mr Laffin lay for almost a week in the intensive care unit he could have had an angiogram and perhaps other cardiac procedures which the Mid West Heart Fund hopes will be available when the unit opens.

Such a unit certainly would have spared him, his family and countless heart patients before him the agonising wait for a bed in Sydney, the rigours of the journey and the uncertainty of not knowing whether a consultation would go ahead even when they got there.

The community in Orange has raised \$500,000. We have an option either to lease this facility or to buy the unit that is required, and we have an area within Orange Base Hospital to erect the building that is needed. An estimated 800 people a year will use these facilities and we have the specialists to operate them. The unit and the service are viable. The Government has announced that five areas will receive this equipment. We now need a commitment from the Minister for Health that he will recognise the hard work of the Mid West Heart Fund committee, match its commitment and announce that the angiogram and angioplasty services will be made available at Orange Base Hospital as soon as possible. We have waited long enough. We do not want to put any more people through the agony of having to travel to Sydney for those services. It is well recognised that many people will not travel to Sydney and risk shortening their lives. I would like to ensure that those people receive the services that they need.

ET TALONG SENIOR CITIZENS CENTRE TWENTY-FIFTH ANNIVERSARY

Ms MARIE ANDREWS (Peats) [5.28 p.m.]: On Friday 4 June I attended a special lunch held at the Ettalong Senior Citizens Centre to celebrate the twenty-fifth anniversary of the centre. The lunch was well attended and it was obvious that a lot of hard work had gone into preparing for this special occasion. The person who deserves much credit for the celebrations being so enjoyable and successful is Mrs Anne Blythe, who does an outstanding job as the centre's aide. In more recent years, Anne has also been responsible for running computer programs for seniors at this centrally located centre. Those programs have proven to be very popular. Anne's workload is eased through the ready assistance of a large number of volunteers who help out at the centre, and I take this opportunity to acknowledge them.

There were a number of dignitaries in attendance at the anniversary lunch, including Mr Don Leggett AM, who was President of Gosford Shire Council at the time of the centre's opening on the 21 April 1979 at a cost of \$510,000. Since then Gosford Shire Council has become Gosford City Council. One of the key speakers was Barry Cohen, former Australian Labor Party member for the Federal seat of Robertson and a Minister in the first and second Hawke governments. Barry served the Robertson electorate, which then extended from the Hawkesbury River up to Lake Macquarie, from 1969 to 1990. Barry informed those in attendance that in the lead-up to the 1969 election he door-knocked thousands of homes in the electorate. He was, to use his own word, "shattered" by the loneliness of so many senior citizens. Many of them were widows who had lost their husbands not long after moving to the Central Coast for their retirement. He was so moved by this loneliness that he was determined to do something about it if he were elected to the Federal Parliament.

Barry had heard from his Labor colleagues in the Sydney metropolitan area, particularly in the St George area, about the wonderful services that senior citizen centres were providing. He decided that this was exactly the type of centre that was needed for the senior citizens of Robertson. Upon his election to Parliament, Barry arranged to take a delegation of local senior citizens, who were keen to do something positive for their fellow senior citizens, to inspect senior citizens centres in the Sydney metropolitan area. Needless to say, the members of the delegation were most impressed and could not wait to have a similar centre built on the Central Coast. Barry approached both Gosford and Wyong shire councils seeking their support in getting the project under way. Both shires said they could not afford to build the centres under the then current funding arrangement, which was two-thirds contribution from the shires and one-third contribution from the then Federal Coalition Government.

Upon the election of the Whitlam Government in 1972, Barry was successful in having the Government reverse the funding arrangements so that the Federal Government would meet two-thirds of the construction costs and the local governments would meet one-third. Arising from that landmark decision both Wyong and Gosford shire councils came on board and during the next few years a number of senior citizens centres were established at various locations throughout the Robertson electorate, namely at Gosford, Long Jetty, Budgewoi, Ettalong Beach and Terrigal. In his address, Barry paid tribute to the early campaigners for senior citizens centres on the Central Coast and made particular mention of Charles Riddell of Gosford and Alex Clarke of Ettalong. I add Lance Webb, also of Ettalong, who was a great advocate for the senior citizens of the entire Woy Woy peninsula area.

A very interesting background to the planning for the Ettalong Senior Citizens Centre was graciously delivered at the anniversary lunch by Mrs Merle Davis. In April 1976 Merle was appointed by Gosford Shire Council as co-ordinator of programs and functions and the management of day-to-day activities of the new Gosford Senior Citizens Centre. It was decided that a similar centre would be established at Ettalong based on the Gosford model. Mrs Elinor Allan, who was a much-revered and able co-ordinator of those senior citizen centres in the Gosford local government area was a special guest at the anniversary lunch. Mrs Rose Kinney, who has for many years provided many hot lunches at the centre, was, unfortunately, unable to be in attendance due to ill-health. I pay tribute to Rose for her commitment to senior citizens in the Peats electorate and on the Woy Woy peninsula in particular. Mrs Elsie Chapman, a long-time volunteer with the centre was in attendance, as was Ron McDonald, Mrs Norma Smith and a host of other volunteers.

I acknowledge all the volunteers who assisted on the day and who assist throughout the years—volunteers for the auditorium, the office and the kitchen. The original concept of the Ettalong Senior Citizens Centre—to provide and assist the welfare and enjoyment of all senior citizens—is very much alive and well today. I congratulate the Ettalong Senior Citizens Centre on its twenty-fifth anniversary and assure the centre of my continued support. I wish the centre well for the future.

DEATH OF DR ROBERT CLIVE SUTTON, AO

Mr ANTHONY ROBERTS (Lane Cove) [5.33 p.m.]: Today I had the honour and privilege—with the President of the New South Wales Division of the Liberal Party, Ms Chris McDiven; the Vice-President, Mrs Rhondda Vanzella; the State Director of the New South Wales Division, Scott Morrison; Paul Nicolaou and his wife, Sophia, from the Millennium Forum; the Hon. Michael Gallacher, MLC, who represented the Leader of the Opposition, the Hon. John Brogden, MP; and Liberal Party members of the New South Wales Parliament, along with many family friends and dignitaries—of attending a memorial service of thanksgiving for Dr Robert Clive Sutton, AO, at the All Saints Anglican Church, Hunters Hill, which was packed to overflowing. Bob Sutton, who died suddenly at his Hunters Hill home on Thursday 10 June, was a successful international businessman, Chairman of the Liberal Party of New South Wales fundraising body, the Millennium Forum, and Chairman of United Way Sydney. Upon learning of his passing, Prime Minister Howard commented:

He contributed much to Australia, both in government service and in the private sector. An immensely likeable person, Bob was a very respected Chairman of the Millennium Forum and the respected Chairman of Jardines. We will miss him greatly.

Bob Sutton was born in Sydney on 3 January 1939, the third son to Eric and Isabel Sutton. After attending Eastwood Public School he followed his older brothers, Ian and Don, to the Kings School, Parramatta, where he was later joined by his younger brother, Colin. Bob also had a younger sister, Roslyn. From Kings he went on to study at the University of New South Wales, from which he graduated in 1963 with a Bachelor of Commerce degree, majoring in economics. His lifelong association with the University of New South Wales—he was chairman of the foundation from 1994 to 2002—resulted in the university conferring upon him an honorary doctorate in 2003.

Whilst at school he met Beverley Hayman, who was attending MLC School, Burwood. They became engaged in 1962 and married in August 1963 in the Kings School Chapel. Bob was welcomed into the Hayman family with the blessing of Beverley's father, who had passed away the year before they became engaged, and to the great delight of her mother, Bonnie. His relationship with his mother-in-law was to remain very strong up until her death in 2002. After an extensive and varied business career Bob was appointed managing director of Jardine Matheson Australia in 1984 and became chairman in 1995. In this role he was responsible for Jardine's investments and related activities in Australia. They included transport, automotive, insurance, real estate and supermarket investments in such companies as Franklins, Colliers Jardine, Jardine Insurance Brokers and Fleetway. At the time of his death, he was Chairman of Jardine Lloyd Thompson Australia, Cycle and Carriage Australia, Botany Bay Shipping and A. V. Jennings Homes and sat on the boards of Salmat, Colliers International and Australian Pork Ltd.

Bob's contribution to Australian business was recognised in the Australia Day honours in 2004 with the award of the Order of Australia, with which he was invested by Professor Marie Bashir, Governor of New South Wales, on 21 May 2004. Bob lived life to the fullest at all times and his sudden and untimely passing will leave a void of massive proportions in the lives of his family and friends, and all those whose lives he touched. He is survived by his wife, Beverley, and daughters, Katrina Gregory and Nicola Brigstocke, and their husbands, and his grandchildren, Lachlan, Xanthe, Lucy, Charlotte and Henry. Henry was born seven hours after Bob died on

10 June 2004. The bittersweet irony of that day is best summed up by Percy Weatherall, Group Managing Director Jardine Matheson Ltd Hong Kong, who said:

If Bev and Bob's new grandson has inherited Bob's even-handedness, sense of humour, equanimity and integrity he will do very well in life.

Testimonials from Bob's family included one from his brother Colin, who said:

You may remember that Bob often spoke of trusting in his "Sutton Luck". By this he meant that luck one creates by putting in an "extra effort" or going the "extra mile". It was one of his by-lines that stood him in good stead and one that I have adopted. He would often follow-up by noting that Napoleon would say "promote your lucky Generals" because they usually made their own luck through good preparation.

Murray Gregory, his son-in-law, said:

Bob welcomed me into his loving family 17 years ago. I have now lost my mentor, great friend and mate. He taught me the importance of personal goals, being true to yourself and the value of family. I will miss our fireside chats at Inglebrae whilst talking into the wee hours over a scotch or two.

Tom Brigstocke, another of Bob's sons-in-law, said:

Bob was, quite simply, my Australian father, with all that this implies in terms of love, counsel, generosity and inspiration.

Lucy Brigstocke, his grand-daughter, wrote:

I loved Pa Bob all the time. Sometimes he drew a wombat for me. He gave me kisses and cuddles.

Bruce Hayman, Bob's brother-in law, said:

A life of fulfilment and great achievement in family, business and public service, tragically cut short just when he should have been able to relax and start enjoying the fruits of his labours. We will all miss him greatly.

Peter Beckingham, the British Consul General, said:

Bob Sutton was a great friend of the British Consulate-General and High Commission. I valued enormously his wise counsel as the Head of a major UK subsidiary in Australia. I count myself privileged to have worked with someone of Bob's wide experience.

On behalf of this House I extend our sincerest condolences to Bob's family. He and his family will certainly be in our prayers and thoughts.

CENTAUR MEMORIAL SERVICE

Ms ANGELA D'AMORE (Drummoyne) [5.38 p.m.]: I wish to acknowledge the *Centaur* Memorial Service, which is held at Concord Repatriation General Hospital each year on 14 May. This service every year recalls those lives that were lost in the sinking of the *Centaur* in 1943 and continues to honour their memory with each generation. At this year's service the official welcome was made by Alice Kang, Director of Veterans Affairs. The chaplain, Graeme Malone, gave a reading honouring those who had served our country in time of war and especially remembering those who laid down their lives 61 years ago when the Australian hospital ship *Centaur* was sunk off the coast of Queensland. I also acknowledge the presence at that service of Reverend Paul Weaver.

My personal thanks go to the New South Wales Corrective Services Band members and the music director, Todd Wynyard, Mr Bill Campbell, regimental pipe major, and the Veteran Services at Concord Repatriation General Hospital. Concord hospital has a close affiliation with the *Centaur* hospital ship, as it is known at the repatriation hospital. The hospital has a beautiful stained glass panel picture of the *Centaur* in the front foyer, a constant reminder of those service men and women who lost their lives to protect our way of living. It also acknowledges the significance of their service and their sacrifice. The history of the *Centaur* hospital ship begins in the Second World War. On Wednesday 12 May 1943 the hospital ship left Sydney bound for Port Moresby to embark casualties from overseas battles. On board were 75 crew of the Merchant Navy, including one ship's pilot, 64 medical staff, including 12 nurses of the Australian Army Nursing Service and 149 men of the 2/12th Field Ambulance, with 44 attached personnel heading for a tour in Papua New Guinea.

The *Centaur* was clearly marked as a hospital ship: it was appropriately lit and marked to indicate that it was a hospital ship, with prominent red crosses and green lines painted on her hull. Red crosses were also

attached to her funnel and stern with another lying horizontally on the after deckhouse. Painted on the bow was the number 47. This was the *Centaur's* registration number with the International Red Cross and indicated that, through diplomatic channels, the enemy had been notified of her status as a hospital ship. But it was attacked by Japanese submarine I-77, commanded by Lieutenant Commander Nakagawa. I would like to share some of the memories of that terrifying night on 14 May 1943. At 4.10 a.m. Sister Ellen Savage was asleep in her cabin when the *Centaur* collapsed around her. She notes:

Merle Morton and myself were awakened by two terrific explosions and practically thrown out of the bed. I registered mentally that it was a torpedo explosion ... in that instantly the ship was in flames... We ran into Colonel Manson, our commanding officer, in full dress even to his cap and life jacket, who said, "That's right, girlies, jump for it now" ... The first words I spoke were to say, "Will I have time to go back for my great-coat?" as we were only in our pyjamas. He said "No", and with that climbed the deck and jumped and I followed ... The ship was commencing to go down. It all happened in three minutes.

That account is from registered nurse Ellen Savage's "In Loss of the Hospital Ship *Centaur*", produced by the Department of Veteran Affairs in 1995, at page 5. The suction of the sinking *Centaur* dragged Sister Savage down into a whirlpool of moving metal and wood. Her ribs, nose and palate were broken, her ear drums were perforated and she sustained multiple bruising. Then she was propelled to the surface in the middle of an oil slick. The survivors spent the daylight hours of Friday 14 May huddled together. In this crisis, individual examples of optimism and hope were shown. Seaman Morris led them in vigorous singing of *Roll Out the Barrel* and *Waltzing Matilda*. Captain Salt, a Torres Strait pilot, despite his severe burns, kept assuring everyone that rescue must be on its way. Lieutenant Colonel Outridge and Sister Savage did what they could for the wounded. Sharks circled them and occasionally nosed the rafts. On the raft Seaman Morris was crammed up next to the badly burnt Private Waldren. Morris recalls Waldren's death:

He'd died next to me and his burns just stuck on my arm ... And I said to Sister Savage, who was practically opposite me, "I think this young chap's dead". And she said, "Are you sure?" And I said, "Well, I'm pretty sure." As she felt over she said, "He's passed on." So I took his identification disc off him and his name was John Waldren, New South Wales army man. I gave his identification disc to Sister Savage and she said, "Will you answer the Rosary?" And I said, "Yes, I'll do my best." She said the Rosary and I answered it and we buried him at sea.

Of the *Centaur's* complement of 332, only 64 survived, with Sister Ellen Savage among them. All the other nurses had drowned. Before the 64 survivors were rescued, the survivors spent 32 hours in the water on makeshift rafts. Sister Ellen Savage was awarded the George Medal for her courage and inspiring behaviour during the sinking of the *Centaur*. The sinking of the *Centaur* touched Australians deeply during World War II. A series of posters calling on Australians to invest in war loans showed the sinking of the ship and carried the slogan "Avenge the Nurses".

After the war the *Centaur* Memorial Fund in Queensland raised £50,000 to be invested to fund activities in memory of the nurses who went down in the ship. In the hall of memory at the Australian War Memorial, the large mosaic commemorating the Australian service women of World War II includes the figure of a Greek mythological beast sinking into the sea. Some say it is the *Centaur*. It is the only reference in the hall to a specific event in any of the wars in which Australians have fought. It reminds us that, like soldiers, sailors and airman, in war Australian nurses also lost their lives. This ship symbolises the courage of Australian women in war and reminds us of all Australians who served in war and have no graves but the sea.

KEMPSEY YOUTH CRIME

Mr ANDREW STONER (Oxley—Leader of The Nationals) [5.43 p.m.]: As honourable members know, I represent the beautiful town of Kempsey, otherwise known as the cedar town. It is a terrific place to live, but it is a town with a hidden problem: continuing crime and antisocial behaviour, particularly by juveniles. Recently the Kempsey and District Chamber of Commerce and Industry Inc. wrote to me, revealing the results of a crime survey that it had undertaken of local businesses. The Chamber of Commerce told me in a letter that the survey "clearly showed that the 70% of business responding to the survey had problems with criminal offences being committed during business hours". I have to ask the question: How can small businesses continue to operate under that sort of pressure? The letter continued:

Whilst night time break and enter type offences (29%) were a major issue amongst those reporting offences to the police, the major cause for concern amongst Kempsey businesses (56%) was for antisocial behaviour (34%) and allied shoplifting (22%) which occurred during business hours.

To compound the problem the issues are seen by authorities as minor offences and response rates by under-resourced police who are busy with more pressing criminal matters are poor (44%), with many businesses choosing not to report offences at all as it seems nothing is achieved in preventing further offences and is a waste of time.

Of the incidents businesses chose not to report, 58% were for antisocial behaviour and 24% were for shoplifting, and even more serious offences such as break and enter made up 13% of unreported incidents.

When offences were reported, 75% of businesses indicated no feedback from police about investigation outcomes, further entrenching the belief that nothing is achieved and pointing strongly to a large shortfall in police resources.

The current level of offences within the CBD, and especially during business hours, is severely impacting on business viability, and is deterring visitors to the town, further reducing the long-term commercial growth of Kempsey.

This problem is affecting tourism and business generally. It is affecting the whole of the community of Kempsey. The letter continued:

The Kempsey Chamber of Commerce, representing the Kempsey business community, calls on the Government to increase police presence in the CBD through foot patrols and provide additional resources during school holidays when problems as outlined seemed to be at their worst.

I know the local area commands implemented police bike patrols through the Christmas school holidays. Those were effective because of their high visibility, but an ongoing strategy is needed in Kempsey, as well as in many other country towns. The Police Association has identified the need for a special task force to visit certain areas, including Kempsey, Armidale, Redfern, and perhaps Dubbo. This problem is widespread. The letter continued:

The Kempsey Chamber of Commerce also asks that the Government review the laws relating to juveniles so that police are not operating with their hands tied. Also, as part of that process, the parents of offending juveniles [should] become financially and legally responsible, in full or in part, for the actions of their children. This may provide a forced parenting role where none currently exists and provide some compensation for those affected by inappropriate juvenile behaviour.

On two occasions I have sought to introduce a private member's bill to reform the Young Offenders Act. Sadly, the Government has chosen to reject those reforms. I urge the Government to look again at amending the Young Offenders Act, as well as the Parental Responsibility Act, in the light of feedback from communities like Kempsey. The letter continued:

The issues raised are important, as antisocial behaviour has been on the increase for many years despite efforts through various community and government organisations. The Kempsey Chamber of Commerce feels strong appropriate action is now well overdue. At this stage it is not our intention to involve the media, but we request that you table this letter with the State Government and provide a response detailing what action may be taken as a matter of urgency.

By reading this letter and commenting on the issues I am doing what the Kempsey and District Chamber of Commerce and Industry has asked. Previously, I have attempted to assist the Kempsey business community by seeking increased police resources and supporting laws relating to juvenile crime. But I now ask the Minister for Police, the Attorney General, who oversees the Young Offenders Act and the Children (Protection and Parental Responsibility) Act, and the Minister for Juvenile Justice to respond. Country communities cannot continue to tolerate this sort of antisocial behaviour and juvenile crime, which affects every business, including tourism, and the community generally.

Ms DIANE BEAMER (Mulgoa—Minister for Juvenile Justice, Minister for Western Sydney, and Minister Assisting the Minister for Infrastructure and Planning (Planning Administration)) [5.48 p.m.]: I wish to respond to comments made by the Leader of The Nationals in relation to the Young Offenders Act and the way in which police treat juveniles in Kempsey and, as he broadened the debate, New South Wales generally. I read the article in the local newspaper. The administration of the Young Offenders Act gives police officers some leeway. Rather than tying a hand behind the back of police officers it gives them options that have been proven to work. Conferencing, for example, not only makes victims of crime feel that they have had some restorative justice it also makes the perpetrators of crime face their acts more clearly.

Conferencing has the added substantial benefits for the community of reducing the rate of recidivism. We have found that young people who are placed in detention have a far greater rate of recidivism than those who are not. We have to examine programs that ultimately lead to a reduction in the offending rates of young people and keep them out of the cycle of crime. I understand that the honourable member has addressed some of his concerns to the Minister for Police and the Attorney General. The Young Offenders Act has proved itself to be a useful tool in the way in which we deal with young people, whom we treat differently from adult offenders. We want to rehabilitate them.

AUSTRALIAN SOCIETY FOR MEDICAL RESEARCH

Ms VIRGINIA JUDGE (Strathfield) [5.50 p.m.]: I wish to inform the House about the Australian Society for Medical Research dinner, which was held on 8 June. I was fortunate enough to be invited to the

dinner—an exceptionally stimulating evening. I had the opportunity to meet some wonderful people involved in a number of fields of research, in particular medical research. The dinner was attended by 260 people, including Lexy Harris and Cath West from the Australian Society for Medical Research; the ASMR Medallist, Professor Mary Hendrix, from the Northwestern University Feinberg School of Medicine, who was visiting us from United States; Christopher Armstrong, Kerry Doyle, Rowena Tucker from the Ministry for Science and Medical Research; Professor Iain Campbell, Professor Merlin Crossley, Professor Roger Dampney, Professor Beryl Hesketh, Professor Nick Hunt, Associate Professor Laurence Mather and Professor Basil Roufogalis from the University of Sydney; Associate Professor Andrew Sinclair from De University of Melbourne; and Professor Peter Schofield and Professor John Shine from the Garvan Institute.

Other guests included Dr Helen Briscoe from the Australian Society for Immunology; Louise Burton from Pfizer Australia; Philip Carey and Sophie Scott from ABC TV; Professor Tony Cunningham from the Westmead Institute for Cancer Research and Associate Professor Philip O'Connell from the Westmead Hospital; Dr Ann Gregory from the Medical Journal of Australia; Dr Glenda Halliday from the National Association of Research Fellows; Professor Laurance Mather from the ANZ College of Anaesthetists; Mary Murnane from the Department of Health and Ageing; Shelley O'Brien from the Scleroderma Association of New South Wales; Dr Janet Paterson and Professor Bernard Stewart from Cancer Control Program; Mike Pickford from ASN Events; Dr Peter Pockley from Australian Science Monthly; Professor Susan Pond from Johnson and Johnson Research; Professor T. Sorrell from the National Health and Medical Research Council, and NHMRC Committee members Professor Carol Armour and Dr Helen Zorbas; and Ms Shane Tiernan from AMGEN Australia Pty Limited.

Also in attendance were Dr Chris Ward from Australian Vascular; and my colleagues the honourable member for Wyong, the honourable member for Wakehurst, Reverend the Hon. Fred Nile and the Hon. John Ryan. I am sure there were many other distinguished guests, but I will not have time today to read their names into *Hansard*. I know that everyone appreciated the evening, especially the talk by Dr Mary Hendrix. The Australian Society for Medical Research carries the slogan "Bringing Health to Life", which is highly appropriate for an organisation that represents 18,000 people actively involved in health and medical research in our great nation. A network so large, strong and broad cannot fail but to have a significant impact on its field, in this case securing the future health of our fellow Australians. The president, Dr Moira Clay, has led the organisation to greater significance through her progressive strategies for political lobbying and relating to the medical research industry.

The society set up the grassroots campaign entitled "Build an Investment in our Future", which is calling on the Federal Coalition Government to commit an additional \$1 billion for Australian health research and development to be phased in over the next five years from 2004-05. Australia has many wonderful scientists and researchers, but often we lose these wonderfully talented and skilled researchers who are enticed by overseas companies and research institutes because of a lack of appropriate funding. At a recent luncheon of parliamentary Lions, one of the beneficiaries told me that it costs about \$90,000 to fund a junior research scientist for one year. Imagine the great brain drain from this country. The more money we can put into research the more the community benefits. The Australian Society for Medical Research is dedicated to addressing the impact of premature death, pain and suffering of an ageing population. They believe that health, research and development is vital to answer the many questions raised by Australia's ageing population, and I support them in this belief. I congratulate the Australian Society for Medical Research, and wish them all the best in their future ventures. They do a fantastic job. They are to be commended. I will give them every support I possibly can.

DUBBO POLICING

Mr TONY McGRANE (Dubbo) [5.55 p.m.]: I bring to the attention of honourable members the outstanding work being done in difficult conditions by police from the Orana Local Area Command in the Dubbo region. The local police deserve enormous praise for the long-term hard work and commitment that went into the smashing of a \$22 million amphetamine supply network late last month. Recently, the Minister for Police spoke in the House about the operation known as Strike Force Winstead. He explained its impact on the drug supply nationwide. It is important for this House to recognise the role played by local police in this operation and the difficult working environment in which they have to operate. There is no doubt that these resources in regional New South Wales are stretched. In Dubbo it is particularly difficult. A large floating population distorts the calculations for accurate police quotas in Dubbo. As a result, the command is substantially understrength for the number of people it services.

Dubbo's few working crews are constantly taken from everyday duties for court transport jobs and custody work. Police facilities in the city are splintered and primitive at best. It is within this difficult

environment that local detectives and senior officers put together one of the biggest drug operations ever completed in regional New South Wales. This local operation utilised resources and assistance from State Crime Command and the New South Wales Crime Squad, particularly in the final stages when carrying out raids and making arrests. This is big picture stuff. But people do not realise how many resources go into this sort of operation, not to mention the amount of time and money invested in achieving these results. Often the dedication of large-scale resources and staff means that local policing suffers, but the results and benefits to the community far outweigh the short-term costs.

The revelation that Dubbo was the headquarters of a massive crime network is a bit scary. It is reassuring to know that our police are professional and proficient and worked for long hours to destroy the drug network and protect the community. I shudder when I think of the flow-on effects of the prevalence of amphetamines in Dubbo. No wonder there has been a higher rate of repeat offenders with drug problems and a high rate of social issues relating to drug use. The drug bust will go a long way to improving the resolution of social problems, but the police need our help.

I urge the Minister for Police to consider the difficulties faced by police on a daily basis owing to a lack of appropriate facilities. I urge him to give favourable consideration to the proposal on the table for the development of a new police station in Dubbo. Dubbo police operate out of at least a dozen different offices at various sites around the city. There is no central point at which to conduct briefings for operations, such as drug raids, and nowhere to store requisite equipment and firearms. The recent raid netted a massive quantity of drugs and drug-making equipment as well as cash; but owing to a lack of secured facilities, storage of the evidence proved to be a major logistical headache.

Dubbo is a major regional centre for New South Wales policing, with responsibilities covering nearly two-thirds of the State. It requires a large administrative base as well as operational offices on the ground. Police from the Orana Local Area Command are achieving spectacular results, especially when one takes into account the recent drug busts. They need support for their good work to continue. They need a purpose-built police station sooner rather than later. Yesterday's budget revealed that Dubbo is on a priority list for upgrading under the new police stations master plan. The current station does not need an upgrade—it should be demolished.

A plan involving private development for a purpose-built station under a lease-back arrangement was submitted to the current Minister, the Minister's predecessor, and his predecessor's predecessor. I exhort the current Minister for Police to give this proposal the green light and deliver the facilities and services that the Dubbo community so plainly deserves. I congratulate police officers who work in my electorate on their great effort and great works over the past month as part of ongoing policing of the area. They are part of the community and they are very proud of the Dubbo community. They want the community to be as crime-free as is possible. I congratulate the police who work in my electorate and their commander, Superintendent Ian Lovell. Well done!

NORTHERN BEACHES BUSINESS ENTERPRISE CENTRE FUNDING

Mr DAVID BARR (Manly) [6.00 p.m.]: I wish to voice my objection on behalf of the Northern Beaches community to the Government's plan to withdraw funding for the Northern Beaches Business Enterprise Centre, based at Dee Why, and replace it with a new business super centre at Chatswood. The closure is part of a money-saving plan that will see most of the State's 50 community based business enterprise centres [BECs] shut down and relocated to 18 similar super centres in metropolitan and large regional centres. The super centre at Chatswood will be responsible for providing business advice to all of northern Sydney, and will utilise electronic means of communication to save costs.

The decision to close the BECs was made without any consultation with local communities or BEC management, and has come as a great shock. It will save only about \$1 million across the State from the budget of the Department of Small Business, but will cost local communities dearly. From a political perspective, I am amazed that the Government would contemplate such action, given the bad public relations and alienation of the small business community that is likely to occur, for the sake of saving \$1 million. Small business, by its very nature, is embedded in the local community it serves, and the strength of the Northern Beaches Business Enterprise Centre was its location. Its success has come from its local knowledge, the local networking opportunities it provides, and the ability to offer a drop-in style service to clients.

These features will all be lost if the service is merged into a centralised facility. Chatswood has no community of interest with the Northern Beaches, and the decision effectively means the loss of this important

service for small businesses on the Northern Beaches. In the 14 years of its operation, the Northern Beaches Business Enterprise Centre has provided advice and guidance to more than 10,000 existing and aspiring local business operators and has helped in the creation of about 3,500 local jobs. The assistance that the BEC provides takes many forms, including the distribution of brochures, advising on the legalities involved and where to go for help with information, face-to-face consultations, access to computer-based business programs and Internet-based information, workshops, seminars and referral of clients to members, where appropriate. During the past 12 months the Northern Beaches BEC has assisted 169 new businesses to commence operation, held discussions with 439 existing and potential business owners, assisted in the creation of 299 new self-employment and employment positions, conducted 51 small business workshops attended by nearly 600 local people, made over 400 direct referrals of clients for free specialised advice to more than 90 BEC members, and held 10 networking functions for local small business owners.

The cost to the Government for these events was only \$275 for each new employment position created. This is a very small outlay when compared to the significant benefits the service brings to the northern beaches community. The northern beaches greatly values its BEC, and our small business sector cannot afford to lose its services. I have written to the Minister for Small Business and I have asked him to reverse this short-sighted decision.

[Mr Deputy-Speaker left the chair at 6.05 p.m. The House resumed at 7.30 p.m.]

BUSINESS OF THE HOUSE

Routine of Business: Suspension of Standing and Sessional Orders

Mr CARL SCULLY (Smithfield—Minister for Roads, and Minister for Housing) [7.30 p.m.]: I move:

That standing and sessional orders be suspended to allow:

- (1) Government Business to have precedence of General Business on Thursday 24 June 2004;
- (2) at this sitting—
 - (a) the passage through all remaining stages of the Appropriation Bill and cognate bills, by putting the questions forthwith that these bills be now read a second and third time, without consideration in Committee of the Whole;
 - (b) a member, upon passage of the Appropriation Bill and cognate bills, to move the motion "That the House take note of the budget estimates and related papers for 2004-05";
 - (c) the introduction and progress through all stages at this sitting of the State Revenue Legislation Further Amendment Bill, notice of which was given this day.

I have briefed the honourable member for Epping about this matter. The House must discuss several items of business tomorrow so that, if possible, they may pass through the Legislative Assembly before the end of the parliamentary session—which we are rapidly approaching. I do not want to hold over the legislation until next session. That is why we have dispensed with private members' day tomorrow.

As per advice to the office of the Leader of the Opposition and as per established convention, because the budget was delivered so late in the parliamentary session I think it is appropriate that we get the Appropriation Bill upstairs as soon as possible. I have told the Leader of Opposition Business that, as in previous years, we will allow a take-note debate on the Appropriation Bill in the next session. Every member of Parliament who wishes to do so will be able to make a speech about the budget, as happened last year. I understand that the Leader of the Opposition has been briefed on the State Revenue Legislation Further Amendment Bill and that we are able to proceed to the second reading of the bill. For those reasons I commend the motion to the House.

Mr ANDREW TINK (Epping) [7.32 p.m.]: For all the reasons that I have given in the past I object to the suspension of private members' day tomorrow. However, I am particularly concerned about that part of the motion that calls for the introduction and progress through all stages at this sitting of the State Revenue Legislation Further Amendment Bill. Every member should be concerned about the incompetent way in which this legislation has been brought to the Parliament. The bill seeks to amend legislation that was before the House only recently. I have some leaked Treasury emails about how the original legislation came into being. It is a truly disgraceful sequence of events that calls into question whether the House can have any confidence in what

any Minister at the table or any person advising him or her might say about this bill. On 6 May there was a Treasury email about the bill that is now law and that the State Revenue Legislation Further Amendment Bill is seeking to amend. It said:

Here is the final draft version of the Bill.

Too late for changes now!

A reply was received from Treasury the next day by way of email. Referring to the then State Legislation Amendment Bill, it said:

This Bill incorporates yesterday's changes, has been approved by LegCo and is what is being printed to be wheeled into the House at 10 am today when I assume Gary West will read the speech on behalf of Egan.

This means he will be in the Chair when debate resumes on Tuesday, and will be the one responsible for replying to issues raised by the Opposition in their speeches. Hope he is good at reading the hastily scribbled notes we will have to pass to him to give him the answers. This is where our briefs will come in handy to cover stuff we have not been focusing on in the Bill. Like why are renovations excluded when this means I can sell for less than I paid in aggregate for the property (because I overcapitalised into a falling market). This should not be taxed as there is no profit and the Treasurer said he was taxing profits. Our answer is? (Apart from fair point and it is a bit tough but too bad).

I think we need for our purposes to have answers to political questions. As we are technically not in the Parliament in our seats the Minister cannot be forced to table our papers, only what we hand to him, which will generally be illegible anyway.

Maybe we should discuss today to identify answers we might need not covered already ...

That is the type of incompetent cynicism that governed the legislation that the Government now seeks to change through the bill that will come before the House tonight. But it gets worst. On 10 May there was another run of emails. One stated:

We appear to have been less than perfect in our drafting of Vendor Duty. We think that the transitional provisions clause (3) allows a building constructed at any time in the past to be deemed to be constructed on 1 June for the purposes of having 12 months to rent it out before Vendor Duty applies. Our intention was only to allow those buildings constructed in the last 12 months to have an extension of time for the rental period ...

Also I am advised that this morning we realised that we have not imported the age limitations from recipients of FHOGS—

that is the First Home Owners Grants Scheme—

into First Home Plus and we were supposed to. Under FHOGS grants cannot be claimed by those under 16 except with consent of the Chief Commissioner

Can we prepare Government amendments to make these changes in the LA debate on this Bill tomorrow? We cannot make them in the LC as we argue it is a tax Bill and amendments of such a Bill can only originate in the LA.

Treasurer's office also advise they want to ensure that where developers are required to provide low cost accommodation as part of the consent for a residential or commercial development they do not pay vendor duty on the sale of that low cost accommodation ... I have not heard of this one before (and I am sure Cabinet has not either.)

This is extraordinary. I do not know how Labor members put up with Egan coming into caucus from time to time with this garbage. They promptly accept it. It is time somebody stood up and said, "We've had enough." It is time somebody listened to the Property Council. It is time somebody listened to renters and to the little people—such as the migrants who are trying to help their children get a break. It is time to draw a line in the sand against the incompetence and cynicism that was behind the original legislation that we must fix tonight. The Government expects us to take it on trust that it will get right tonight in only a couple of hours what it got wrong and spent a month stuffing up! I am sorry, but I do not think we can trust this process to deliver the right outcome. We need time, which is why we must debate the bill properly. The final email states:

This evening we noticed we may have inadvertently let people who buy off the plan on sell their entitlement free of VD [vendor duty]. This should not be the case but it is probably too late to fix. We have to run with what we have and put together a list of things it is feasible to fix by 22 June.

I hope the Government has got it right this time. Goodness me, is it any wonder that property investors such as the Premier—who knows better than anyone the incompetence of his Government—have fled to New Zealand to make a safe investment? They could not make one here with these idiots running Treasury. [*Time expired.*]

Question—That the motion be agreed to—put.

The House divided.

Ayes, 44

Ms Allan	Ms Hay	Mrs Paluzzano
Mr Amery	Mr Hunter	Mr Pearce
Mr Bartlett	Mr Iemma	Mr Price
Ms Beamer	Ms Judge	Mr Sartor
Mr Black	Ms Keneally	Mr Scully
Mr Brown	Mr Knowles	Mr Shearan
Ms Burney	Mr Lynch	Mr Stewart
Miss Burton	Mr McBride	Mr Tripodi
Mr Campbell	Ms Meagher	Mr Watkins
Mr Collier	Ms Megarrity	Mr West
Mr Corrigan	Mr Mills	Mr Whan
Mr Debus	Mr Morris	Mr Yeadon
Mr Gaudry	Mr Newell	<i>Tellers,</i>
Mr Gibson	Ms Nori	Mr Ashton
Mr Greene	Mr Orkopoulos	Mr Martin

Noes, 35

Mr Aplin	Ms Hodgkinson	Mr Roberts
Mr Armstrong	Mr Humpherson	Ms Seaton
Mr Barr	Mr Kerr	Mrs Skinner
Ms Berejikian	Mr McGrane	Mr Slack-Smith
Mr Cansdell	Mr Merton	Mr Souris
Mr Constance	Ms Moore	Mr Tink
Mr Debnam	Mr O'Farrell	Mr Torbay
Mr Draper	Mr Oakeshott	Mr J. H. Turner
Mr Fraser	Mr Page	Mr R. W. Turner
Mrs Hancock	Mr Piccoli	<i>Tellers,</i>
Mr Hartcher	Mr Pringle	Mr George
Mr Hazzard	Mr Richardson	Mr Maguire

Pairs

Mr Hickey	Mr Brogden
Ms Saliba	Mrs Hopwood

Question resolved in the affirmative.

Motion agreed to.

APPROPRIATION BILL**APPROPRIATION (PARLIAMENT) BILL****APPROPRIATION (SPECIAL OFFICES) BILL****CROWN LANDS LEGISLATION AMENDMENT (BUDGET) BILL****SUSTAINABLE ENERGY DEVELOPMENT REPEAL BILL****Second Reading**

Debate resumed from an earlier hour.

Motion agreed to.

Bills read a second time and passed through remaining stages.

STATE REVENUE LEGISLATION FURTHER AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [7.48 p.m.], on behalf of Mr Craig Knowles: I move:

That this bill be now read a second time.

This bill clarifies a number of issues that have emerged following the passage of the State Revenue Legislation Amendment Act by the Parliament in May. In relation to the First Home Plus Scheme the bill clarifies that, if the concession is claimed in relation to the acquisition of vacant land and the subsequent construction of a dwelling, the concession is not subsequently available for the acquisition of an existing dwelling. For purchases of vacant land, the bill replaces the requirement that the home, once constructed, be occupied to qualify for the concession, with a provision allowing the chief commissioner to grant the concession if satisfied that the applicant will build a home on the land and reside in it. This change will be taken to apply from 1 July 2004, the date that the other reforms introduced in May are to take effect.

In relation to premium property duty the bill clarifies that where a transaction for the purchase of residential property involves more than one property and at least one of those properties is sold for more than \$3 million, the premium property duty rate will apply only to that part of the consideration for each property that exceeds \$3 million. This provision will also be taken to have applied from 1 June, the date the premium property duty was introduced. In relation to vendor duty the bill extends the exemption to the sale of land subject to all kinds of conservation agreements under the National Parks and Wildlife Act 1974; and it extends the exemption from vendor duty to the sale of land that is the subject of a registered trust agreement under the Nature Conservation Trust Act 2001.

These two changes implement the Government's commitment during the parliamentary debate on vendor duty to ensure it does not apply to the disposal of land subject to conservation agreements. It clarifies that vendor duty will apply to the higher of the considerations received or the actual value of the property sold. It clarifies that periods of ownership counted for the exemption for absences from a former principal place of residence cannot also be counted towards principal place of residence status of a second property owned and occupied by the vendor. It clarifies that homeowners who, on 1 June 2004, were in the process of selling their former home after acquiring and moving into their new home have six months from 1 June 2004 rather than the date of acquisition of the new home to dispose of their former home without incurring vendor duty.

It also provides the chief commissioner with the power to extend the six-month period in which the former residence may qualify for exemption in certain cases, such as in the event that an auction fails or a purchaser is unable to complete a contract. It clarifies that a residence will be eligible for the principal place of residence exemption even if it is not wholly owned by the occupant. The requirement will be that at least 50 per cent of the ownership interest is held by one or more natural persons who reside in the home as their principal place of residence. This means, for example, that where a person helps a relative or friend to buy a home, the subsequent sale of the home will not attract vendor duty provided the person living in the home owns at least 50 per cent of the home.

The bill also removes a current restriction that prevents the principal place of residence exemption from applying where any of the vendors is not a natural person. It also clarifies the application of vendor duty on the disposal of land-related property when interests in the property were acquired at different times. The bill clarifies the new building exemption for the disposal of vacant buildings to ensure that it only applies where the building is never occupied or used for its intended purpose prior to sale unless it is sold within 12 months of completion, in which case it may have been occupied or used prior to sale. The bill clarifies when a building is considered completed for the purposes of this exemption. It also clarifies that the exemption applies only in relation to the first sale of premises off the plan and not subsequent sales.

The bill clarifies that the exemption for improved vacant land applies only when improvements have been made at the vendor's expense. It clarifies the provisions that exempt from vendor duty transactions involving entities, or transactions that are exempt from purchaser transfer duty or subject to concessional purchaser transfer duty. This amendment ensures that vendors need to qualify in their own right for any

exemption. They do not qualify merely by virtue of the exempt or concessional status of the purchaser to whom they are selling. The bill clarifies that the period of the exemption from vendor duty on the sale of a deceased's former principal place of residence commences from the grant of probate or letters of administration.

The bill also provides that executors and beneficiaries who, on 1 June 2004, were in the process of disposing of a deceased's former principal place of residence, have 12 months from 1 June 2004 to complete the disposal of the property without incurring vendor duty. The bill clarifies that the executor or beneficiary's exemption from vendor duty on disposal of a deceased's former principal place of residence subject to a life interest lasts for 12 months following surrender or termination of the interest. The bill clarifies that a disposal of land-related property by a mortgagee, receiver, liquidator or trustee in bankruptcy pursuant to the bona fide exercise of their powers is not liable for vendor duty. The bill also clarifies that the exemption for the disposal of land-related property as part of the sale of a business only applies where the whole of a business is sold.

These measures will ensure that vendor duty applies as it was originally intended. Many of the measures are of benefit to taxpayers. Accordingly, to ensure that taxpayers in those situations are not disadvantaged, the measures will apply from 1 June 2004. In relation to mortgage duty the bill amends the provisions applying to inter-jurisdictional mortgages so that, in relation to property located in Australia, from 1 September 2004 duty will be payable only in respect of property located in New South Wales. In view of the Government's commitment to exempt the sale of land subject to conservation orders from vendor duty the Government has decided to expand the exemption from land tax already provided for land subject to certain conservation orders to align it with the scope of the vendor duty exemption. This broader exemption will apply from 31 December 2004, in time to be applied in the 2005 land tax year. Finally, the bill revokes the repeal of the Petroleum Products Safety Act 1965 to ensure that Commonwealth subsidies provided in relation to the transportation of fuel to remote localities are maintained. I commend the bill to the House.

Ms GLADYS BEREJIKLIAN (Willoughby) [7.56 p.m.]: I speak to the State Revenue Legislation Further Amendment Bill with a great deal of disappointment and regret that this Government has resorted to such a shameful means to rush through a bill that will amend legislation that is full of potholes and should not have been introduced in the first place. Today we became aware of the Government's rationale for introducing this legislation. Within seconds of the Government explaining to us its exact rationale for stuffing up this legislation in the first instance, we have had to respond accordingly. One would think that the Government would have learned from its initial mistakes.

When the Government introduced this bill it was policy on the run, policy via the Internet, policy as a result of the Treasurer's whim, and policy using every measure apart from proper process. Regrettably, in order to backtrack following embarrassing revelations of internal Treasury bickering and Treasury officials highlighting inadequacies in the original bill, we are now forced at the dead of night, without any appropriate time, to consider the ramifications of this bill. The Government is asking us to trust it when it is trying to rush this bill through the Chamber tonight. We did not trust the Government the first time, so there is no reason we should trust it now. The Treasurer, with much fanfare on the assumption that this was a money or appropriation bill, sought leave to come into this House—he wasted taxpayers' money recalling the entire Parliament—so we could hear his mini-budget speech.

The Treasurer could have delivered his speech in the other place because, as I understand it, this is not strictly an appropriation bill. However, with much fanfare, he introduced in this Chamber a half-baked policy that has caused much angst for many thousands of constituents. The Government had the gall to state that only 250,000 additional properties would be affected by this legislation. According to the Valuer-General a total of 800,000 properties will be affected as a result of the introduction of this myopic and pathetic policy. It is a further embarrassment that the Government named the bill the State Revenue Legislation Further Amendment Bill. This bill should never have been introduced.

The Coalition's position in relation to the original bill was, sensibly, to oppose it. The 2.25 per cent vendor duty has caused enormous angst in the community. In fact, many constituents and members of the public were unsure about the status of the original tax. They are unsure what these changes to the land tax mean. I quote from an article in the *Australian Financial Review* dated 17 April 2004 which states that the Government was forced to articulate its policy via the Internet as it was inadequately articulated at the outset. That article states:

A notice on the New South Wales Office of State Revenue web site apparently makes Mr Egan's official policy.

That related to first home buyers entering a contract and the status of the contracts. Buying a home is very sensitive and emotive, and it is often the biggest financial commitment and risk that individuals and families take. This Government is unclear on the dates for implementing such a pathetic tax in relation to vendor duty and introducing the abolition of land tax. I place on the record that each and every member of the Coalition who contributed to the debate totally supported the provisions in the legislation relating to exemptions to stamp duty for first home buyers. But regrettably, because of the Government's inefficiency, its policy on the run and its not thinking this through properly, even first home buyers were subjected to immense stress.

Those who had entered contracts but had not settled, who may have been eligible for the first home buyers stamp duty exemption, were in utter disarray because there was no clarification as to how the policy would be implemented. In recent days members of the Coalition in the other place, led ably by the chairman of the Opposition's waste watch committee, the Hon. Greg Pearce, highlighted, through the revelation of emails between Treasury officials, how absolutely pathetic the Government's role was in putting together this policy. It was definitely policy on the run. It is worth reiterating some of the emails exchanged between Treasury officials to highlight my point about the enormous stress and angst this caused in the community. On 7 April—a significant date—a Treasury official sent an email to another official that said:

The date from which the [land] tax applies is uncertain at this stage. It is our intention to have legislation prepared by May so that the tax could apply from 1 June. However, that may not be the case. If implemented, the tax will apply in the same manner as Transfer Duty (i.e. to the date of exchange, not settlement.) We wanted to say 1 June in the Budget but the Treasurer took it out so ask him what date is relevant.

Those Treasury officials are in the dark because the Treasurer, in a half-baked way, decided this policy on the run. The right hand does not know what the left hand is doing for the people drafting and implementing the policy. On 7 May the same Treasury official sent this email:

This Bill incorporates yesterday's changes, has been approved by LegCo and is what is being printed to be wheeled out into the House at 10 am today when I assume Gary West will read the speech on behalf of Egan.

This means he will be in the Chair when debate resumes on Tuesday, and will be the one responsible for replying to issues raised by the Opposition in their speeches. Hope he is good at reading the hastily scribbled notes ...

That just shows the level of thought that went into preparing this bill—scribbled notes! This legislation is a tax on hundreds of thousands of mum and dad investors and on people whose rent will be affected by these changes, yet it was deemed not important—to the extent that Treasury officials were literally scribbling policy to enable the Parliamentary Secretary to respond to valid and justifiable Opposition concerns on the issue. The email continued:

we will have to pass to him the answers. This is where our briefs will come in handy to cover stuff we have not been focusing on in the Bill. Like why are renovations excluded when this means I can sell for less than I paid in aggregate for the property (because I have overcapitalised into a falling market). This should not be taxed as there is no profit and the Treasurer said he was taxing profits. Our answer is? (Apart from fair point and it is a bit tough but too bad.)

I think we need for our purposes to have answers to political questions. As we are technically not in the Parliament in our seats the Minister cannot be forced to table our papers, only what we hand to him, which will generally be illegible anyway.

Maybe we should discuss today to identify answers we might need not covered already ...

That is an appalling display of policy on the run. I do not know how any member of the Government can say with a straight face that they are not embarrassed or appalled. They have thousands of constituents in their electorates who are renters and mum and dad investors, all of whom are affected by this legislation. The Government, the Premier and the Treasurer formulated and implemented policy by endorsing these scribbled notes passed to the Parliamentary Secretary. On 10 May an email showed that Treasury officials realised another loophole that was not in the original draft. One Treasury official wrote to another and stated:

This evening we noticed we may have inadvertently let people who buy off the plan on sell their entitlement free of VD. This should not be the case but it is probably too late to fix. We have to run with what we have and put together a list of things it is feasible to fix by 22 June.

The Government is trying to fix it tonight. In a second email on 10 May a Treasury official admitted:

We appear to have been less than perfect in our drafting of Vendor Duty. We think that the transitional provisions of clause (3) allows a building constructed at any time in the past to be deemed to be constructed on 1 June ...

I found quite extraordinary another part of that email that stated:

Can we prepare Government amendments to make these changes in the LA debate on this Bill tomorrow? We cannot make them in the LC as we argue it is a tax Bill and amendments of such a Bill can only originate in the LA.

That exchange of emails that have been brought to the attention of the public highlight what our constituents have been telling us. Constituents have contacted us about the loopholes and uncertainty in the bill. The Government has embarrassed employees of its own department and has had to admit myriad flaws in this legislation. However, rather than give this Parliament adequate time to look at the amendment bill that further amends the original amendment bill, to adequately check the provisions under the original Act, and to make sure that all the original loopholes have been corrected, the Government is ramming this legislation through literally seconds after we heard its rationale for introducing the bill in the first place.

It was bad policy to start off with, and the process has been shocking since its inception. Tonight is the *pièce de résistance*. In relation to the substantive matter of the original amendment bill, the Coalition totally supports stamp duty exemptions for first home buyers. All members of the Coalition who spoke in the debate on the original amendment bill put those views on the record. We support first home buyers being exempt.

Mr Milton Orkopoulos: How will you pay for it?

Ms GLADYS BEREJIKLIAN: We will get to that. However, we bitterly oppose both the abolition of the land tax threshold and the vendor duty of 2.25 per cent on what is already a cooling real estate market. The Government's legislation is impacting on mum and dad investors, not so much those at the high end of the investment market but on people who have responsibly planned and saved for their retirement because they do not want to be a burden on society once they give up full-time work. The legislation is hitting the most vulnerable and the people who are currently renting and saving for their first home. Their potential to purchase their first home will be delayed because of the increasing rent they will have to pay. I am sure that many of my colleagues will provide further examples, but in the Willoughby electorate alone, 8,600 renters will have their rents increased because of this policy, and 7,700 investors will be adversely affected by having to pay the vendor duty of 2.25 per cent.

This further amendment bill vindicates all of the concerns that have been received by members in their electorate offices about the tardiness in its drafting and the lack of information given about it. Media reports substantiate that this is policy on the run—policy via the Internet. In the days after this policy was announced there was so much uncertainty about what was occurring that people literally were relying on the Office of State Revenue web sites, which I understand were amended by the hour because it was not known what the policy was. The Treasurer, having lost his seat in this House, has been searching for any excuse to come into this Chamber. He did that again yesterday to deliver what he regarded as a great speech. The Treasurer is more concerned about wasting taxpayers' money to recall Parliament and come into this place and give a speech on a half-baked policy, one that impacts adversely on current and future residents of New South Wales.

Mr Milton Orkopoulos: You repeat yourself.

Ms GLADYS BEREJIKLIAN: I need to repeat it because the honourable member still does not understand what I have been saying. After the Government made a mess of things, it brought in another bill, but within hours expects Opposition members to trust the Government and trust that the measures in the bill will fix all of the problems. I will now address the six main aims of the bill. As the Parliamentary Secretary mentioned, the bill seeks to clear up problems that have arisen about vendor duty; extends vendor duty concessions for land subject to a conservation agreement; seeks to clear up some anomalies on the First Home Plus stamp duty concession; seeks to clarify the wording of the new premium property stamp duty; seeks to give a land tax concession for land that is subject to the Nature Conservation Trust Act 2001 and removes restrictions to the concession that is available for land that is subject to a conservation agreement under the National Parks and Wildlife Act 1974; seeks to change the way in which the mortgage duty is charged on interjurisdictional mortgages in all States and Territories, whereas previously the Northern Territory and the Australian Capital Territory had been treated differently as they had no mortgage duty, which amounts to roughly a \$500,000 tax cut; and seeks to reinstate the Petroleum Products Subsidy Act 1965, which was abolished in 2001.

The Government did not realise at the time it abolished that Act that it is necessary to attract a Commonwealth subsidy. I note that the sixth major amendment does not relate to property tax, but the Government has just added that measure to this bill. I foreshadow that the Coalition will move amendments relating to the vendor duty. We oppose the vendor duty on policy grounds. The Coalition is committed to repealing the vendor duty on return to government. Therefore, we will move to amend the bill to omit provisions relating to the vendor duty because it is a duty that should never have been introduced in the first instance. By

debating the bill tonight the Government has admitted its shortcomings in the first bill and has vindicated the position that the Coalition has taken from the outset. For those reasons the Opposition will not support the amendments relating to vendor duty. If the Government accepts the Opposition amendments in relation to that duty, we will support the measures contained in the bill. However, we will not support any of the provisions of the bill relating to vendor duty.

In conclusion, I express our absolute disgust that the Government should need to introduce this further amendment bill. I express the Coalition's absolute opposition to the vendor duty. We are disgusted that mum and dad investors are to be adversely affected. The Government has seen fit to adversely affect the lives of hundreds of thousands of residents of this State because the Treasurer thinks it is important to come into this Chamber and deliver a nicely polished speech, even though it is pathetic in its substance. The Treasurer thinks it important to recall Parliament, to give a nice speech and to announce a policy even before it is properly put together.

Judging by emails that have been made public in recent days, Treasury officials have had to admit that this was policy made on the run by a Treasurer who yesterday gloated about bringing in his tenth budget. Frankly, after 10 years he shows total disdain for the people of New South Wales. The Government's actions in bringing forward the bill and ramming it through the Parliament demonstrates its mishandling of this issue. The Coalition remains committed to supporting all of the constituents who have complained about these measures. Tonight we again commit to abolishing the vendor duty upon being returned to government. That will be soon. We will also reintroduce the threshold on land tax.

Mr BARRY O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [8.15 p.m.]: Grassroots members of the once-great Australian Labor Party who attend this Chamber will see how perverted the Government has become and how it has ignored the ideals that the honourable member for Swansea still holds dear. Those are ideals that the honourable member for Wollongong used to hold dear. The honourable member for Campbelltown, who had the misfortune to follow Michael Knight in this place, is still trying to find the remnants of those ideals in the Campbelltown electorate office.

Philosophically, members on both sides of the House ought to be helping people to help themselves. Yet this legislation does the reverse. I heard someone from the Campbelltown district talking about the ladder of aspiration. The Government pulls the ladder out from under those people in western and south-western Sydney. These are people from a multicultural background, just like the honourable member for Swansea. The biggest impost from this stamp duty will be felt in the electorate of Drummoyne. Why? Because the good burghers of Drummoyne, whether they be of Italian, Greek or other ethnic descent, understand the value of investing in bricks and mortar, rather than in risking the vagaries of the stock exchange or putting it under their beds, as a former Liberal Prime Minister once advocated, when Labor governments are around.

This legislation goes to the heart of what is wrong with the State Government: It will not support people who seek to make prudent provision for themselves and their families. Instead, the Government sets out to penalise those people. The State Revenue Legislation Further Amendment Bill, which the honourable member for Willoughby so eloquently spoke about, clearly defines the lack of rationale of the Labor Government in bringing forward these measures. I am not a particularly religious person—perhaps the honourable member for Swansea is—but I do recall the old adage: act in haste, repent at your leisure.

This bill is proof positive of the haste with which these measures were put together. The honourable member for Willoughby demonstrated, by the release of those well-written emails from the Office of State Revenue, the shambles that existed within the tax bureaucracy of this State about how the taxes would work, when they would be introduced, and how they would impact on people. The honourable member demonstrated the emptiness of the cupboard when it came to the Government trying to defend the indefensible. I commend the honourable member for Willoughby for her contribution.

The reason I will continue to oppose the vendor tax in particular is that it undermines the efforts that people have made to try to get ahead, improve their lot and secure a better life for themselves and their families. Frankly, members of this place who would not seek to support individuals to do that ought not be here. The reality is that the mini-budget was framed on a lie—the lie that the State was suffering a major cutback in Federal Government finances. Within six weeks that lie was exposed, because the Federal budget revealed that over the next four years New South Wales is to receive \$1.1 billion more in revenues from the Federal GST than Michael Egan claimed when delivering the mini-budget on 6 April.

We should not be surprised by the lies Mr Egan told on 6 April in relation to Federal funding cutbacks, given the sort of lies that he and the Premier have engaged in over the past nine years. The reality is that even

grassroots members of a branch of the Labor Party know that the State has never had so much revenue as it has had on the back of the housing boom. When the great Carr Government was first elected, revenue in the State was \$20 billion. For the current financial year it is in the order of \$36 billion. There has been an 80 per cent increase in the amount of revenue flowing into State coffers. But where is the evidence of an 80 per cent increase in the level of any service across the State, be it education, health, transport or policing—whatever one would like to name? The reality is that in the massive boom from stamp duty revenue more than \$5 billion above and beyond what was anticipated has been lost. People are asking, as the Leader of the Opposition is wont to pose: Where has the money gone? But, more important, they are wondering why services have not improved in these good economic times.

Through initiatives in the legislation, the Treasurer will do to individual budgets what he has done to the budget in New South Wales. Surpluses and good times have been wasted. We are now in a difficult period and cutbacks have to occur. Why? The reason is bad measures. That is fundamentally why these measures have been introduced. My strongest opposition is to the vendor tax. The honourable member for Swansea says, "Why?" The reason is, as he would admit, that not even the former Federal Prime Minister Paul Keating would have introduced this sort of tax. When Paul Keating was Federal Treasurer of this nation and he changed the law relating to capital gains tax, he ensured that the changes applied prospectively only. This cunning Government and the Treasurer, who is about to depart the scene, has imposed a retrospective tax on investment properties that are being sold. For example, if one of my constituents has had a property for 15 years and decides to sell it next year, the new vendor tax will not apply, as Paul Keating's changes to capital gains tax applied, to the one year in which growth occurred.

The Government, short of revenue because of poor budgeting, and short of money to feed State services because of lazy accounting by Treasury, has imposed a tax that would capture the historic value of the property and ensure that it gets itself out of its current budget crisis by hitting people who own investment properties—those mums and dads described by the honourable member for Willoughby, the people whom I described as simply individuals and families who are trying to get ahead and prepare for their families a better life or for their retirement. My principal objection to the tax—12 out of the 16 provisions in the bill relate to the vendor tax—is that no matter what changes are made, so long as it is applied retrospectively it continues to be unfair, irrespective of the fact that overall I have a problem with it because it is largely anti-investment and it does not assist people, as government and parliaments ought to assist them, to make prudent provision for themselves and their families.

Mr Milton Orkopoulos: How are you going to pay for the first home owners scheme?

Mr BARRY O'FARRELL: I will not put up with the embuggerance from the honourable member for Swansea. He is a great embuggerist to this place. I encourage him to have a look at the *Macquarie Dictionary* because I am not maligning his Greek heritage. I will not be diverted from my speech on this matter by the irrelevant interjections from the honourable member for Swansea. My concern about the anti-investment nature of the tax is that Australia is a country that currently has low levels of savings. We ought to do everything we can to encourage savings and investment in this country, but we are not doing it. I am concerned about the provisions that were reflected upon in the famous emails that shot through cyberspace between the Premier's office, the Treasurer's office, the Office of State Revenue, the Opposition's office and Greg Pearce's office and, finally, through the media last Friday.

The reality is that the Treasurer, hand on heart, lied in this Chamber. It is not the first time that Michael Egan has lied in this Chamber, either as the member for Cronulla or as the Treasurer, and I suppose that will not make news in the *Daily Telegraph* tomorrow. The Treasurer presented this tax as a tax on the profits people make on investment properties. That is simply untrue. One could have bought an investment property for \$250,000, \$350,000 or \$450,000, spent \$50,000 on it and sold it at a loss, but under these provisions the vendor tax will still be payable. That is unfair, whether one is in the electorate of Peats, the electorate of Ku-ring-gai or, as I said before, the electorate most affected by these stamp duty changes, the culturally diverse electorate of Drummoyne. That is why I join the honourable member for Willoughby in opposing the legislation.

The last issue I want to raise relates to the widening of the land tax net; the fact that the tax-free threshold has been taken away. I have had representations from a single mother in my electorate who was married and living in Sydney's western suburbs. As a result of an all-too-common family break-up the good news was that she ended up retaining the family home, albeit that it was mortgaged to one of the banks in this country. To ensure that she could afford to keep the home she moved back to her parents' home, which is in my electorate. She used the rental income that was being produced from tenants in the property to keep up the

mortgage payments. That is another example of an individual who is seeking to do the right thing by herself and by her infant child.

Yet the imposition of land tax, even at the rates proposed under the mini-budget, means that that woman, who is currently not in the work force, has to find money that she will not be able to access to meet the new impost upon her property. As she said to me when she sent me a copy of the child's photo, which I forwarded to Michael Egan in the hope that he might be moved by the plight of this woman, what is she to do? Is she to sell the property and give up hope that she and/or her child might have some prosperity down the track? Is she to keep it and go to work, and therefore not offer her very young child the benefit of her being a full-time mother? Is there some other magic pudding approach?

[Interruption]

I would have thought that the honourable member for Wollongong would be sympathetic to the plight of a single mother, whether she came from my electorate or from the electorate of Oxley, which is the poorest electorate in this State. The reality is that this is just another example of an individual, whose sole crime is to try to get ahead, being hit by these measures. Yet this mob opposite have a Federal leader who dares talk the "A" word, the "aspiration" word. Clearly, there is no sense of aspiration in the Carr Government, unless one is a Carr Government Minister seeking to invest either down at the harbour, as Michael Egan does, or, better still, if one is the Premier of the State and can afford to invest in New Zealand, where these taxes do not apply.

Mr Milton Orkopoulos: You had to bring that into it.

Mr BARRY O'FARRELL: It is no coincidence. On this occasion I welcome the embuggerist from Swansea. It is no coincidence that today a parliamentary committee from New Zealand is visiting this place. I dispute completely the interjection of the honourable member for Baulkham Hills that they were here to see their local member. The reality was that they were here to get some ideas on how to raise taxes because New Zealand has a Labour Government that hates the fact that these taxes do not exist, a Labour Government in trouble at the polls and a Labour Government in trouble with its budget. It needs revenue to finance state services over there, and it has come to the Premier, the font of all tax wisdom, to try to find some sneaky initiatives to put in place. I support the comments of the honourable member for Willoughby on this matter. I oppose these measures root and branch.

The vendor tax is the most vicious tax that has been introduced into this place in the 148-year history of the New South Wales Parliament. It is a pernicious tax that is designed to grind people down. The Labor Party and the Government want to drag people down to the lowest possible level in society rather than live up to the rhetoric, the hot air, the—I will not use the word I was about to use—nonsense started by the Federal leader, who talks about supporting people who want to help themselves, the aspirational classes. Anyone who wants an idea of what sort of Prime Minister Mark Latham will make should look at the Premier, Bob Carr: look at his tax measures and understand what is at risk.

Ms KATRINA HODGKINSON (Burrinjuck) [8.28 p.m.]: I note that the State Revenue Legislation Further Amendment Bill was introduced today. I wonder how many loopholes it has and whether there will be a further amendment bill at some time in the future. Whenever this Government introduces legislation and rams it through in one day I wonder how much preparation has been involved in its presentation. The bill was introduced shortly after the luncheon adjournment when the second reading speech was delivered on behalf of the Minister by the honourable member for Campbelltown. Members of this House are debating this reasonably complex legislation in full on the same day. In the limited time available I have examined the bill carefully, but there has been no time to engage in consultation. The Government is using its numbers to ram through legislation that will affect thousands of investors throughout this State. As the shadow Minister for Small Business, I have received representations from people in my electorate and throughout Sydney relating to the impact of this bill. From my perspective, the vendor duty must be the most unfair, rash and iniquitous tax that has ever been introduced in this House.

I had intended to refer to the "Legislation Review Committee Digest No. 9" to obtain some background information on the bill, but because the bill was introduced only today, the committee has not had a chance to consider it. I wonder what the chairman of the committee, the honourable member for Miranda, thinks of that. Incidentally, I commend to honourable members a very good letter from the chairman of the committee to the Minister for Transport Services, Mr Costa, which is set out on page 102. As the honourable member for Willoughby stated so eloquently and consistently during her speech, the Opposition is firmly opposed to the

vendor duty—a tax that has been nicknamed by many public servants as the Government's VD. The tax is anti-investment and we know that it will have an adverse impact on many thousands of investors throughout the Burrinjuck electorate. Many real estate agents and property developers are absolutely furious about this new tax.

The changes proposed in this bill will have a significant impact on those who rent accommodation. That is a matter of grave concern to me because many of my constituents rent their homes in Goulburn and in other places throughout my electorate. As a result of consequential increases in rents, people who are saving to purchase their dream home will undoubtedly face a much harder task as a result of this legislation. Vendor duty is a totally anti-investment measure and there is no doubt that it is killing off the property market. Today I received a telephone call from a public servant in Sydney who has been unable to sell her property. She said that the market is dead and everybody is withdrawing their properties from sale. She does not know what to do because she has a massive overdraft. She blames her predicament entirely on the VD. It is fair to say that this new tax has had a significant impact on the property market, not only in Sydney but right across New South Wales.

I wonder whether the Treasurer realised that the introduction of this tax would flatten the market. As everyone knows, he is so greedy that all he can think of is the revenue that will be derived from the measure. He would not have given any thought to the detrimental impact on the property market of this new tax. People involved in the property development industry are extremely concerned. Some people have saved hard and invested their superannuation in property to avoid becoming a burden on taxpayers, but they too will be hit by this unfair and iniquitous tax. After the mini-budget was introduced, every Coalition member opposed the new 2.25 per cent vendor duty because it is a very unfair tax. The Coalition supports first home owners and new schemes to assist them, but we are vehemently opposed to this new vendor duty. All the taxes that the Treasurer has introduced over the past seven years beg the question: Where has all the money gone? There has been profligate waste and a lack of transparency on the part of this Government, and one has to wonder where the revenue is going and whether the Coalition is even in a position to be apprised of the extent of the problem of expenditure of taxpayers' funds.

As a result of the 2004 budget every electorate in this State should have received new schools, or at least airconditioning in all schools. I have been asking for airconditioning for a long time, but the Minister keeps saying that because of budget restrictions there are no funds. There are over 50 schools in my electorate, which is very hot in summer and very cold in winter, so there should at least be enough money in the budget for airconditioning. My electorate also needs new police stations. The Gundagai police station should be replaced, but that is not happening. Four road fatalities occurred just outside Coolac recently, and I know that the Cootamundra Local Area Command needs more highway patrol officers. With present staffing levels, they are unable to meet guidelines that are designed to prevent road fatalities. That is a matter of grave concern to the local area command and to me. The Minister for Police should be taking action and the Treasurer should be providing adequate funds. Home care services and disability services are also desperately in need of increased funding.

Mr ACTING-SPEAKER (Mr John Mills): Order! I draw the attention of the honourable member for Burrinjuck to the need for debate to be relevant to the legislation before the House. This is not a budget debate. The House is debating the State Revenue Legislation Further Amendment Bill. If the member wishes to continue, she should tell me to which clause in the bill she is referring.

Ms KATRINA HODGKINSON: The widening of the land tax net is also a matter of major concern to the people of my electorate. The elimination of the tax-free threshold will adversely affect those who can afford it least, including small business owners and shopkeepers in my electorate who own their own premises. Local chemists, newsagents, shoe store owners, investors and superannuants throughout New South Wales will all be caught by the new land tax threshold. That is a matter of grave concern. The Opposition intends to continue its opposition to the 2.25 per cent vendor duty. It is undoubtedly an anti-investment tax. I felt sorry that the honourable member for Campbelltown had to be the bearer of this bad news, but he seems oblivious to the implications of this tax for the people of his electorate, and consequentially for him. This tax will flatten the market and many property brokers, real estate agents and mum and dad investors are extremely concerned. The Opposition will maintain its opposition to this unfair and iniquitous tax that has been foisted on the good, hardworking and taxpaying citizens of New South Wales. I reiterate that the Coalition vehemently opposes this tax.

Mr ANDREW CONSTANCE (Bega) [8.38 p.m.]: At the outset I note that the State Revenue Legislation Further Amendment Bill has been rushed into the House in an attempt to address the mistakes in the

mini-budget, particularly the new vendor duty. The imposition of that new tax is designed to raise \$690 million over the next 12 months and \$3.5 billion over the next four years. One of the reasons that the legislation resulting from the mini-budget is subject to further amendment is that the Government has introduced unsound legislation on the run. I compliment Treasury officials who are in attendance in this Chamber on having honestly written the truth about the Government's legislation.

Michael Egan and the Premier obviously got together and decided to rush through Parliament these tax measures that rip off the hardworking people of New South Wales by taking their hard-earned investments and their savings for retirement. The Coalition voted against the introduction of vendor duty. It is an embarrassment for the Carr Labor Government that the House must resolve this evening the many anomalies in the original legislation. Particularly embarrassing for the Government is the fact that Treasury officials were more than forthcoming in their views about that legislation. Last week the Opposition released emails from Treasury officials that revealed that the Government knew how flawed the bill was. One email stated:

We appear to have been less than perfect in our drafting of Vendor Duty.

Another email went on to discuss the loopholes in the legislation, and said:

This evening we noticed we may have inadvertently let people who buy off the plan on sell their entitlement free of VD [vendor duty]. This should not be the case but it is probably too late to fix. We have to run with what we have and put together a list of things it is feasible to fix by 22 June.

I emphasise that final sentence. The email continued:

... this morning we realised that we have not imported the age limitations from recipients of FHOGS [First Home Owners Grants Scheme] into First Home Plus and we were supposed to.

Another email expressed concern that the Parliamentary Secretary, the honourable member for Campbelltown, who read the second reading speech on the bill in this place on behalf of Treasurer Egan, would have scant understanding of its provisions. The email said:

Hope he is good at reading the hastily scribbled notes we will have to pass to him to give him the answers.

The email continued by anticipating some of the issues that the Opposition might raise regarding vendor duty. It said:

Like why are renovations excluded when this means I can sell for less than I paid in aggregate for the property (because I overcapitalised into a falling market). This should not be taxed as there is no profit and the Treasurer said he was taxing profits. Our answer is? (Apart from fair point and it is a bit tough but too bad).

What an amazing revelation from Treasury officials, who are no doubt present in the Chamber this evening. We look forward to seeing what their emails say about the State Revenue Legislation Further Amendment Bill. No doubt they will go to the guts of the Egan errors that we uncover constantly in this place.

Vendor duty has had a completely astounding effect on the electorate of Bega. One constituent whom I know well made an offer on a house that was being sold by an investor who wanted to rush to exchange contracts before 1 June. On the Friday afternoon before the vendor duty was to be introduced the vendor instructed his solicitor to write a letter to the prospective purchaser saying that if the contract was not exchanged by Monday the vendor reserved the right to increase the price of the property by 2.25 per cent on Tuesday. That was the experience of a first home buyer. That is just one outcome of this ill thought out, ill-conceived property tax introduced by the Carr Labor Government.

There are 6,200 renters in the electorate of Bega. They are suffering as landlords increase rents to cover the taxes introduced in the mini-budget. The impact is profound. The day after the mini-budget was delivered I received a telephone call from a landholder who resides in Sydney but who owns and leases two investment properties on the far South Coast. He told me that he intended to jack up the rent on both of those properties by \$20 a week in order to cover the land tax. That gives an idea of the cruelty of these property taxes, which are hitting the people who least deserve it. The renters who struggle day by day and week by week to pay the family bills are facing rent increases as a result of the tax measures introduced in the mini-budget. We should seek to support those people who are looking to get out of the rental market and into their first home. They will now not only face increased property prices as investors try to recoup the 2.25 per cent vendor tax but have to spend longer in the rental market as landlords increase rents—by \$20 a week, or \$1,000 a year, in the case that I outlined.

I think these tax measures are incredibly mean. The State Revenue Legislation Further Amendment Bill is in this place tonight as a result of the ill-conceived, ill thought out and rushed original legislation. The bill seeks to do six things but I highlight particularly its attempts to solve problems with vendor duty and extend a vendor duty concession for land that is subject to a conservation agreement. I wonder why that is in the legislation. It is there because the Government needs the support of the Greens in the other place in order to pass the legislation. So the Government has included several sweeteners for the Greens. In this case the bill introduces a concession for any land that is the subject of a conservation agreement. That provision applies not only to vendor duty but to land tax. The Government is to grant a land tax concession for land that is subject to the Nature Conservation Trust Act 2001 and remove restrictions to the concession that is available for land that is subject to a conservation agreement under the National Parks and Wildlife Act 1974. That provision is a sweetener to secure the support of the Greens in the upper House in amending the Act. It highlights the questionable nature of the original legislation.

The Coalition opposes the tax and we will look to reinstate the land tax threshold. I find it amazing that the budget was delivered yesterday and only 24 hours later we are back in the House discussing a bill that is designed to fix anomalies that should not have existed in the first place. Those anomalies exist because no doubt on the Sunday before the mini-budget was delivered someone in the Government—I presume it was Michael Egan—had a brain snap and decided that this was an easy way to rip more money from New South Wales taxpayers. Every man, woman and child in New South Wales pays the equivalent of \$2,135 in State taxes. That makes us the highest-taxing State in Australia.

Mr Milton Orkopoulos: How much do they pay in GST?

Mr ANDREW CONSTANCE: I am pleased that the honourable member for Swansea—the little Marxist—has brought up the subject of the GST. This State Government receives \$15.9 billion in GST, which should go to schools, hospitals and roads. Yet the Government has not managed to do that. On top of that, the bulk of State taxes comes from property taxes. Year in and year out the Government has reaped unexpected windfalls in property tax. Yesterday's budget revealed a further \$530-odd million in stamp duty receipts that it did not expect. The State revenue has increased by 5.5 per cent. How did the Government get itself into a budget deficit of \$379 million? The Government has mismanaged bureaucracy, and has created unnecessary government jobs that do not concentrate on front-line services.

The Government has wasted \$3.3 billion in projects that either do not work or have overblown their budget. Tonight we are back again debating the State Revenue Legislation Further Amendment Bill because the Government is unable to introduce watertight legislation; it cannot even introduce legislation as part of the mini-budget process regarding vendor duty. The bill does not target the people that Government members expect it will target: it will not hit the wealthy people. The vendor tax has been passed on to first home buyers, through property prices being increased by 2.25 per cent.

Mr Milton Orkopoulos: That's rubbish.

Mr ANDREW CONSTANCE: The honourable member for Swansea was not present to hear what I said earlier. The vendor tax has been passed on to renters as well. In the Bega electorate 6,200 tenants are now subjected to a rent increase as a result of these tax measures; and there are 4,500 investors, mums and dads who have saved for their retirement. In this country we encourage people to save for their retirement, but the Government seeks to rip that from them in a harsh and mean way, because it has not been able to properly manage its finances year in and year out.

The Government has been intent on emphasising that Michael Egan has delivered nine budget surpluses. That came to a thudding halt yesterday when he announced a \$379 million deficit. Next year we will hear about another deficit, and more than likely another deficit in the year leading up to the next election. The vendor duty measures are cruel. Tonight we are debating a bill to fix the anomalies, which were rightly identified by Treasury officials who, no doubt, will again send out a number of emails concerning the anomalies. The Government is addicted to tax and to waste, and as a result the people of New South Wales are paying a very high price.

Mr THOMAS GEORGE (Lismore) [8.53 p.m.]: I compliment the honourable member for Willoughby, who so ably led on the State Revenue Legislation Further Amendment Bill on behalf of the Opposition. The key provision of this bill is to clear up the Government's mistakes in its mini-budget legislation, particularly in relation to the new vendor duty. The mini-budget bill was called the State Revenue Legislation

Amendment Bill. This bill is called the State Revenue Legislation Further Amendment Bill. The 2.25 per cent vendor duty announced in the mini-budget was rushed through so fast that it was full of loopholes. The Coalition voted against the introduction of the vendor duty and is committed to repealing it when in government. In saying that, I suggest that the Treasurer might like to seek the services of a Mr Alister Somerville, from the Lismore electorate, as a consultant. On 19 April Alister Somerville wrote to me, and I could not put the facts any better. He wrote:

Since this Mini-Budget was announced I have been trying to find out as much as I can about the possible new legislation with a view to agitating for the demise of some of its parts.

I was shocked and dismayed that the Government was intending to move the goal posts so far as land tax was concerned, as well as introducing a new Vendor Transfer Duty of 2.25%.

I was also incensed, and continue to be so, as the answers that I have received from the Mini-Budget section of the Office of State Revenue confirmed my serious concerns. But those answers also revealed that the Government hasn't everything and is still trying to work out the "nuts and bolts" of the proposed legislation.

I have been surprised that there hasn't been a lot of public opposition to these new duties, but perhaps that could be because of the paucity of information that has trickled from the Government since the first announcement.

The substantial changes to the land tax laws and the introduction to the new Vendor Transfer Duty are nasty and are unfair and will, in my view, be counterproductive if they are implemented. Unless the Government retreats from its position on these 2 matters, there will not only be buyer resistance but seller resistance too, resulting in reduced land transaction with a consequent reduction in stamp duty payable to the government. A probably reduction in stamp duty income resulting from these changes should, by itself, be enough for the Government to "can" these new changes.

Mr Somerville provided three pages of concerns with the land tax and wrote another two pages about the vendor transfer duty tax. He wrote:

Whilst I am upset about the proposed new land tax laws, this new stamp duty really angers me. For decades now people have been buying property knowing that they have to pay stamp duty on the purchase price as well as stamp duty on a loan. During ownership, they have known that they have been required to pay rates and perhaps land tax and that when they sell there would probably be some agent's commission but nothing else. Now the Government proposes charging people stamp duty when selling, as well as buying. It will apply to properties already owned and not just new purchases. The new duty applies to most properties sold pursuant to a Contract for Sale entered into as and from 1 June (and not 1 July as is sometimes stated) this year.

Here the Government isn't proposing so much as to move the goal posts, but to add a couple more, AFL style.

Of course, the proposed VTD doesn't apply to the disposal of a principal place of residence or a farm. However it would appear to apply to the disposal of all other real estate properties except for the first sale by builders or developers of new dwellings, including "off the plan" sales.

The other exemption of course is the sales or disposals of properties caught by the proposed new legislation where the sale price or value on disposal does not exceed the purchase price or value on acquisition by more than 12%, with this exemption phasing out between 12% and 15%.

As an individual who might be doing some land subdivision and sales within the next year, I was concerned that the proposed new VTD would apply to the sales by subdividers of vacant land. I had these concerns as the sale of new vacant land wasn't mentioned in the first announcement. And so I wrote to the Office of State Revenue and asked the question. The answer has come back that the announced **exemptions** do not apply for the first sale of vacant land. Wow! Is the government going to slug land developers as well as people who may trade in real estate property with this new insidious tax and mistreat them in the same way as it proposes mistreating investors? But this is the way it seems at this stage although I have been thinking for some time that these new proposed laws have been developed "on the run" without any thought as to detail and I am hoping that the answer that I got was a mistake.

Imagine subdividers having to pay VTD as well as GST and income tax. GST has already been a major factor in increasing land prices. If VTD applies as well, this would be an added cost that will be passed onto purchasers, putting prices up once again.

I am hoping though that this situation is wrong. I think that Mr Egan, when making the announcement, spoke about investment properties being the subject of the new VTD. Generally speaking, the sale of an investment property is not a sale that is subject to the payment of income tax. Instead, it is subject to Capital Gains Tax law and would be taxable under that law if acquired after 19 September 1985. A land subdivider is not an investor and therefore hopefully will be excluded from the new VTD when making sales.

Mr ACTING-SPEAKER (Mr John Mills): Is the honourable member still reading from the same letter?

Mr THOMAS GEORGE: I am. I have another three pages to which I have not referred.

Mr ACTING-SPEAKER (Mr John Mills): Order! The honourable member for Lismore is almost flouting previous rulings of the Chair in relation to the permissible length of quotations. This Chamber has

different standing orders to the upper House. Brief quotations only are permitted from reports and correspondence. The House does not want to hear a 10-minute address.

Mr THOMAS GEORGE: I will quote briefly from the letter, which states:

Since the proposals were announced, I have been on a fact finding quest from the Office of State Revenue and it appears that the following is the Government's current position about various aspects of this new tax.

- (a) there is proposed to be an exemption for executors disposing of a deceased's principal place of residence...
- (b) I asked the question. What about a PPR with an adjoining vacant block of land (used as curtilage) and that block of land is sold or a block of land...
- (c) it appears that there will be some sort of exemption for an absent owner from his or her PPR for work reasons so that VTD won't apply. However once again, there is no detail.
- (d) there is also little or no detail about the situation...
- (f) I also asked the following questions about the administration of VTD. The answers and questions are: -

What form of disclosure, if any...

No answer was given. The letter then states:

When is VTD to be paid? It is proposed that the VTD will be payable in a manner similar to the current stamp duty paid by purchasers.

Will the State Government have a charge over the property in respect of such VTD?

No announcements have been made...

How does one establish a value of acquisition when it has been left in a Will?

No announcements have been made regarding this issue...

When does a vendor need to disclose information about the "profit"...

To obtain the benefit of the exemption the vendor will need to disclose that information...

Mr Alister Somerville phoned me only days after the mini-budget was introduced. He tried to get specific answers from the Office of State Revenue but he was unable to do so. He immediately reached the conclusion that everybody reached in relation to this mini-budget: it was put together on the run. Today we are wasting the time of this Parliament trying to fix up a problem that should have been fixed up in the first place.

Mr STEVE CANSDELL (Clarence) [9.03 p.m.]: The State Revenue Legislation Further Amendment Bill should have been called the "Fix Up the Mess Amendment Bill". The bill will do six things. First, it will clear up problems that have arisen in relation to vendor duty and it will extend the vendor duty concession for land subject to a conservation agreement. Second, it will clear up or clarify some anomalies relating to the First Home Plus stamp duty concession. Third, it will clarify the wording of the new premium property stamp duty. Fourth, it will give a land tax concession for land that is subject to the Nature Conservation Trust Act 2001. The bill will also remove restrictions to the concession that is available for land that is subject to a conservation agreement under the National Parks and Wildlife Act 1974.

Fifth, the bill will clarify the way that mortgage duty is charged on inter-jurisdictional mortgages in all States and Territories. Previously the Northern Territory and the Australian Capital Territory have been treated differently as they have no mortgage duty. That will amount to a \$500,000 tax cut. Sixth, the bill will also reinstate the Petroleum Products Subsidy Act 1965 that was abolished in 2001. The Government did not realise when it abolished the subsidy that this legislation was necessary for a Commonwealth subsidy to be given. Tonight we heard a lot about how this bill will clarify a number of issues. Earlier I was listening to the second reading speech of the Parliamentary Secretary, the honourable member for Campbelltown, who seemed to be clarifying everything. This bill clarifies that this tax-hungry Labor Government should never have introduced this shoddy piece of legislation in the first place.

The original legislation was nothing more than a slapped-together, mickey mouse, money-grabbing exercise directed at the small end of the investment line—the mums and dads and retirees trying to plan for a better life. The leaked emails that were mentioned earlier show the huge communication gap between Treasury

staff and the Treasurer. The Treasurer is hell-bent on ripping every last cent from hard-working families and small businesses. It is no wonder that the Premier of Queensland, Peter Beattie, is always smiling. The Premier, the Hon. Bob Carr, and the Treasurer, the Hon. Michael Egan, keep giving him free kicks right in front of the goalposts. In fact, if the Premier's State of Origin match were on right now, Queensland would win in a clean sweep. Queensland has lower taxes—lower petrol tax, land tax, payroll tax and workers compensation premiums.

Queensland has no vendor stamp duty tax, et cetera. Lower taxes equal higher investment, and that investment is coming from New South Wales. I am constantly approached by constituents in the seat of Clarence—in Grafton, Macleay, Yamba and Evans Head—who have been talking about investing in that area. That investment has all been canned. This Government has not just slowed the market; it has virtually killed it. These people are talking about going to Queensland. Some have children in university in Brisbane and on the Gold Coast. They say that they would be better off buying a house in Queensland and putting their children into it, as that would be a far better investment. Recently I sent out surveys to all my constituents. More than 400 of those surveys have been returned. Some of the comments that were made include:

Property Tax—What is it in this country, that every time the little fella wants to get ahead we tax him back to reality! Let the person trying to achieve in life and do the right thing—actually get there—and reward him, not condemn him!

Another comment that was made reads as follows:

Get rid of new property tax. Get rid of Bob Carr.

Another comment was:

The new tax being introduced by Carr on investment properties is grossly unfair to retired people.

One constituent said:

I own a block of land on the coast which I scrimped and saved for which now will cop the property tax. Being a single person and working my entire life I have never received a government handout for anything. Rather I have been and will continue to be taxed until I die simply because I provided for myself rather than expecting others to provide for me. Please fight for the abolition of the Property Tax.

Another constituent stated:

Overhaul the State tax system to prevent the flood of investment money going over the border to Queensland.

Another comment is as follows:

Small business needs a better go—so we can employ people more easily.

The final comment to which I refer states:

The new land tax on investment property is an unfair tax.

That gives honourable members a real feel for the angst that has been expressed by my constituents. Parliament was recalled for the mini-budget sham. It really was a sham as all that the Treasurer did was foreshadow future legislation. This legislation is just another shameful waste of taxpayers' money and it is a waste of parliamentary time. We have to spend time fixing up a shoddy and incompetent piece of legislation that really should not have been introduced in this House. I oppose this bill.

Mr GREG APLIN (Albury) [9.08 p.m.]: The title of this bill—the State Revenue Legislation Further Amendment Bill—says it all. I would have thought that by now honourable members would have been tired of the words "further" and "amendment" as they have been the hallmark of this Government in much of its legislation this year. One has only to think of the amalgamations of local government and the number of amendments that have been made to that legislation. Yet another piece of legislation has been introduced in this House that requires further amendment. How many times does the Government have to be embarrassed before it realises that homework, preparation and planning are at the seat of good governance?

That is something it has yet to learn. This was as a result of the mini-budget introduced on 6 April, which required the recall of this House, at great expense to the taxpayers of New South Wales. Not only are we

already the highest taxed State in Australia but we are prepared to waste taxpayers' money on recalling the House to rush through legislation that needs further amendment and was unable to pass through the upper House on 6 April because it was not in session and was not to return until some weeks later. It is interesting to note that this further amendment, to rushed legislation that was imperfect in the first place, introduced new taxes which unfortunately the hard-earning taxpayers of New South Wales are inured to now because that is a hallmark of this Government. The results of the introduction of property taxes was not only felt by individuals but is being picked up by real estate organisations in my electorate and throughout New South Wales and by legal people who perform conveyancing and advice work. Colonial First State, a well respected investment organisation throughout this country, said in its newsletter:

Investing in property has long been one of the most popular ways for Australians to build wealth. But the recent NSW government tax changes have some investment property devotees re-crunching the numbers.

The letter goes on to outline some of the most recent New South Wales Government changes to property investing and identifies that from 1 June 2004 2.25 per cent stamp duty will be payable on the sale of investment properties, and from 31 December 2004 land tax will be payable on all investment properties. The conclusion is very interesting. It states:

The additional taxes imposed by the NSW government have added to the costs involved in owning an investment property.

One might wonder what that has to do with individuals because ever since this property tax was introduced many concerned people have visited my Albury office or contacted it by phone, email or fax because the legislation is unclear. So little information was available at first hand and my office almost became the source to try to sort out the Government's problems. In fact, it was some time before we could find out about it because the Government was not prepared for the questions that were being fired by constituents across all electorates in New South Wales.

I was particularly perturbed by a visit from an 84-year-old lady who told me that she had worked very hard all her years as a cleaner. Her husband, who had died, had been a bus driver. They are not the types of people that the Treasurer and the Premier smirked about as being able to afford these taxes. In fact, I well remember the 6 April sham when we were all called in to hear the Treasurer declare in this House that we—he no doubt embraced the Premier and all members on the frontbenches on both sides—are able to afford these taxes on property investments because we have returned great wealth to ourselves. Well, good on him because that is not the case with everybody. This 84-year-old has worked hard all her years to invest in property in Albury to look after herself in her retirement. She said to me with tears in her eyes, "How can I afford now to leave these to my children? How can I afford now that I am paying these taxes to live out the rest of my years on the income that I have planned for myself? If I were younger I would take that money and invest it across the border in Victoria." That message has come through to me loud and clear from not only real estate agents but the average investor and persons trying to better themselves, looking for an investment nest egg for their retirement or perhaps trying to look after their children's future. People who live on the border, as other speakers on this side have said, are now looking across the border, whether it be to Queensland in the north or, from my point of view, to Victoria in the south. Unlike people in New South Wales, people in Queensland and Victoria do not get taxed when they enter the property market, while they are in the market and when they exit the market. This is the only State that imposes taxes on investors in the property market when they buy, hold and sell.

Last week a thoroughly confused first home buyer rang my office because she was to be charged 2.25 per cent when buying her first home—a land and home package—from a developer. We tried to find out details for her but that type of confusion is now common throughout the State as a result of the inefficiencies of the Treasurer and his department in introducing shoddy legislation which requires further amendment. Communities on the Victorian border suffer because comparisons are so easily made between the taxes in New South Wales and the lower taxes in Victoria. It is to the eternal shame of this Government that it is driving investment, employment opportunities, and the hopes of people from our State southwards into Victoria. It is to the eternal shame of the Treasurer that he smirks and says we can afford that. Unfortunately, most people who have any opportunity to invest and look after their future will look south, and that is exactly the way I hope this Government will go.

Mr STEVEN PRINGLE (Hawkesbury) [9.16 p.m.]: Not only will people be heading south, they will also be heading north. My office has been inundated with people saying they will no longer invest in New South Wales but will transfer their assets to Queensland and New Zealand. A number of speakers on this side of the House have covered many aspects of the State Revenue Legislation Further Amendment Bill: the fact that it is

ad hoc, it is retrospective, and it is impacting on renters and investors alike. In my electorate some 6,500 investors and 3,600 renters are directly affected by these taxes. I will focus on the practicalities of what the new land tax legislation is bringing in. One of my constituents has clearly detailed how it impacts on his lifestyle and retirement income. He receives gross rent of \$21,279 and has a land tax component of \$6,564. Repairs and maintenance and other expenses total \$18,106. That leaves a fairly small surplus of \$3,173. The land tax component as a percentage of gross rent is some 30.8 per cent. The percentage of land tax to expenses is 36.3 per cent.

That blatantly makes the investment uneconomical and he will withdraw from the market and no longer provide rental accommodation at a reasonable price. A couple of years ago another constituent bought an old house for a daughter. The house was renovated while it was being rented. A lot of time and effort was put in to providing the house for the daughter and for retirement income. In the meantime, unfortunately, the market has dropped some \$20,000 and an exit tax of \$9,000 is payable, making their efforts of the past two years a complete and utter waste of time. The letter states:

Yes we are totally annoyed and would do anything NOT to see this [tax] go through.

A firm that had a team of 17 valuers prior to the tax being introduced contacted me. Following its introduction this firm reported first-hand that there has been a drop in valuations and a dramatically reduced number of instructions coming into the office. Much of its work is derived from mortgage valuations and—surprise, surprise—the finance industry has also seen a major reduction in valuations. Instead of employing 17 people, as of today the firm employs 12 people—in the short time since this tax was introduced. If the Labor Government continues with these policies, there could well be a repeat of the early 1990s: the property crash and the major impact that would have on the Government's bottom line. So, like my colleagues, I regard this as a stupid, ill thought out tax that impacts not just on the allegedly wealthy silvertail Liberal voters on the North Shore but on large numbers of people, renters and investors alike. It impacts on those at the lower end of the market, the renters, and also people who are trying to fund their retirement. This tax is stupid, crazy and not in the State's interest, let alone the national interest.

Mr DARYL MAGUIRE (Wagga Wagga) [9.20 p.m.]: I should like first to place on record my support for the speech of the honourable member for Willoughby, for the Leader of the Opposition, John Brogden, and for the Opposition amendments that will soon be put forward. In rural New South Wales, in the Wagga Wagga electorate that I represent, there is an old saying: You reap what you sow. Tonight the Government is reaping what it sowed, because the Parliament now knows the falsity of the statement made by the Treasurer. Such was the urgency of the legislation that the Government wanted to put forward. Tonight we are dealing with a bill that illustrates the chaos of the Government in introducing ill-considered legislation that it then seeks to ram through the House without giving consideration to the consequences. Of course, we have been asked to deal with such a problem now.

The State Revenue Legislation Further Amendment Bill has six aims. The first is to clear up problems that have arisen because of the vendor duty. It is aimed at addressing anomalies in the First Home Plus stamp duty concessions. It seeks to clarify the wording of the Premium Property stamp duty. It seeks to apply the land tax concession to land that is subject to the Nature Conservation Act. It seeks to change the way in which the mortgage duty is charged. And it seeks to reinstate the Petroleum Products Subsidy Act. Just yesterday the Treasurer delivered his Budget Speech in this Chamber. Today's *Australian Financial Review* has this comment by Robert Harley:

NSW Treasurer Michael Egan has a pretty poor record of forecasting the revenue from stamp duty.

The danger for 2004-05 is that he will be wrong again, in part because of the self-defeating vendor duty he introduced in the April mini-budget.

Let's hope he is not so wrong he'll be tempted to plug the finances with some more property plunder.

That very interesting article also contains this comment:

Egan is punting that with the labour market remaining firm, with household income continuing to rise and with only a slight increase in interest rates, the NSW property market will weaken marginally, not stall. Which seems optimistic when in the March quarter—even before the announcement of the vendor duty—the number of residential sales across the state fell by 27 per cent.

The NSW executive director of the Property Council of Australia, Ken Morison, said the property industry was still reeling from the introduction of the new exit tax ...

"And if the government gets it wrong, they are wide open to missing their revenue targets."

So what might Egan do then? Same as what he did this year. When he saw stamp duty receipts slowing, he plugged the hole with an estimated \$690 million from the new vendor duty.

When this iniquitous tax on mum and dad investors was brought in, my office fax machine streamed with correspondence from real estate agents and mum and dad investors, people who have scraped and saved all their lives to buy property. The Real Estate Institute said the mini-budget will hurt mum and dad investors, and went on to give the Treasurer a spray about the 2.25 per cent exit tax—a retrospective tax. I have a copy of one local paper that the Premier did not refer to today, which says—

Mr ACTING-SPEAKER (Mr John Mills): Order! The honourable member for Wagga Wagga will be introducing material irrelevant to the debate if he quotes from that newspaper.

Mr DARYL MAGUIRE: I will not, Mr Acting-Speaker.

Mr ACTING-SPEAKER (Mr John Mills): Order! The honourable member should read Standing Order 85, which relates to relevance.

Mr DARYL MAGUIRE: This material is part of my notes. I have referred to the article and I was about to identify it as being in today's *Daily Advertiser*. The article is about the budget. I note that the Premier did not refer to this newspaper. That is because it has been very critical of the taxes and charges imposed by the Government. Article after article in our local newspaper has referred to people who have invested in property and will be adversely affected by this property tax. I imagine that all honourable members would have received emails from Greg Bloomfield of Votergram, who has written a most instructive piece of correspondence opposing this tax. Article after article is critical of the Government and how it has managed its fiscal policy.

In particular, those articles are critical of the way in which the Government introduces legislation in this place. It is half-baked, ill thought out and rushed through. For example, when we came back to deal with this bill, 22 members from this side of the House were forced to make their contributions within a total of one hour. Each had very limited time to talk about the complexities and impacts that this bill will have on each of our electorates. Why? Because the Government was intent on shutting us up and preventing us from raising issues that affect our electorates and taxpayers across the State. The Leader of the Opposition had the opportunity to place on record the Coalition's opposition to the new taxes and charges that are to be implemented, but other members had just one lousy hour, about three minutes each, to place on record the reasons they oppose this tax. All members on this side of the House would have appreciated their usual 15 minutes to reflect on correspondence that we received. I wrote to every constituent of my electorate, and in response I received just one email supporting Michael Egan and Bob Carr's tax. All other responses opposed the tax.

Newspaper article after newspaper article noted that the Government had severely underestimated the real impact of this one tax. I harp on this one issue because it will have far-reaching detrimental effects on this State—more serious than people perhaps realise. By this one piece of legislation the Government will affect the future of people who have sought to provide for themselves—who have worked, scraped and invested, but who will now be taxed when they purchase property, when they hold that property and when they sell that property. The net effect will be far greater than the Treasurer has forecast. Why? Because, unlike good students, the Government does not do its homework. It introduces legislation, but before it is fully considered it has to move amendments to it—to its own legislation! That demonstrates the incompetence of bureaucrats and those who work in Treasury, for which Michael Egan is responsible. This is a disgraceful process that the House must deal with from time to time.

The Labor Government introduces legislation in an attempt to place the blame for its management on the Federal Government. Day after day we hear the Carr Government blaming the Federal Government for its problems. This House was recalled by the Labor Government to give its Canberra mates a helping hand. This bill will backfire on the Government. All those who have written to me are incensed by the Government's handling of the implementation of this tax. When it comes to planning, this Government gets a big F mark for the quality of the legislation that it introduces. The first that Opposition members hear about a bill is when the Government gives notice in the House of its intention to introduce the bill; then an hour later it moves to have the second reading of the bill and all stages completed in one day, without proper consideration or debate.

The community deserve their right to comment on and have input into legislation that affects the financial and social wellbeing, as well as the future, of this State. The people are being denied that right because

of the Government's incompetence—or, perhaps more likely, the Government deliberately chooses to deny the people of this State a say in their future. Perhaps the Government just does not like scrutiny. Its arrogance has reached the level of introducing legislation without subjecting it to the scrutiny of the community or its representatives. It seems the Government thinks it knows best and will not listen to the opinions of the people that members on this side of the Chamber represent.

What do Labor members think about this bill? Not one of them has spoken on this bill that will affect people in their electorates. A large number of their constituents have come to this country and battled and scraped to build and invest in their future and their children's future. Some of those people have come from countries that have been afflicted with wars, in the hope that they can build a life in Australia. Where are the members on that side of the House who should speak up for them? They are nowhere to be seen. Not one of them has taken part in this debate. They have mismanaged it from go to whoa. The incompetence displayed in this Chamber in introducing inferior legislation that has to be amended time and again is beyond belief.

Members on this side of the House have enjoyed the opportunity to highlight problems in the legislation. When the Government introduces legislation, as it did in April, and then rams it through and denies members the opportunity to debate it, we will take every opportunity we are given to express, as we must, the concerns of the people in our electorates whom we represent. Articles such as one that appeared in today's *Australian Financial Review* and in the *Wagga Wagga Daily Advertiser* refer to the budget as hocus-pocus. They have seen through the con that the Government is trying to play on the people of New South Wales and the con that is the tax that was introduced in this place in April. It is all about shifting the blame rather than taking responsibility. It is all about giving their Federal counterparts a great leg up, but it will backfire badly.

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [9.31 p.m.], in reply: As I said at the outset, the bill clarifies a number of issues that emerged following the passage of the State Revenue Legislation Amendment Bill in May. This bill is necessary to improve the operation of revenue legislation in New South Wales. The money raised from vendor duty is needed to fund essential government services and the very concession to first home buyers that the Opposition says it supports. But tonight the Opposition will move amendments to legislation and today it expressed its opposition to vendor tax. The message from the Opposition is clear. It does not really support first home buyers; it just says it does. The question for the Opposition to answer tonight is clear: What will it cut? Will it cut teachers' salaries, police numbers or nurse numbers to fund the budget black hole that will be left as a result of its opposition to vendor tax? I commend the bill to the House.

Question—That this bill be now read a second time—put.

The House divided.

Ayes, 48

Ms Allan	Mr Greene	Mr Pearce
Mr Amery	Ms Hay	Mrs Perry
Ms Andrews	Mr Hunter	Mr Price
Mr Bartlett	Mr Iemma	Mr Sartor
Ms Beamer	Ms Judge	Mr Scully
Mr Black	Ms Keneally	Mr Shearan
Mr Brown	Mr Knowles	Mr Stewart
Ms Burney	Mr Lynch	Mr Tripodi
Miss Burton	Mr McBride	Mr Watkins
Mr Campbell	Mr McLeay	Mr West
Mr Collier	Ms Meagher	Mr Whan
Mr Corrigan	Ms Megarity	Mr Yeadon
Mr Crittenden	Mr Morris	
Ms D'Amore	Mr Newell	
Mr Debus	Ms Nori	<i>Tellers,</i>
Mr Gaudry	Mr Orkopoulos	Mr Ashton
Mr Gibson	Mrs Paluzzano	Mr Martin

Noes, 35

Mr Aplin	Mr Humpherson	Ms Seaton
Mr Armstrong	Mr Kerr	Mrs Skinner
Mr Barr	Mr McGrane	Mr Slack-Smith
Ms Berejiklian	Mr Merton	Mr Souris
Mr Cansdell	Ms Moore	Mr Stoner
Mr Constance	Mr Oakeshott	Mr Tink
Mr Debnam	Mr O'Farrell	Mr Torbay
Mr Draper	Mr Page	Mr J. H. Turner
Mr Fraser	Mr Piccoli	Mr R. W. Turner
Mrs Hancock	Mr Pringle	<i>Tellers,</i>
Mr Hazzard	Mr Richardson	Mr George
Ms Hodgkinson	Mr Roberts	Mr Maguire

Pairs

Mr Hickey	Mr Hartcher
Ms Saliba	Mrs Hopwood

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 to 5 agreed to.

Ms GLADYS BEREJIKLIAN (Willoughby) [9.40 p.m.]: I move:

That the following provisions be omitted from the bill:

Schedule 1, items [6] to [18]

Schedule 1, item [20]

Schedule 1, items [22] to [28].

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [9.41 p.m.]: The effect of the Opposition's amendment will not be to wind back or repeal vendor duty; it will only undo the changes provided for in this bill, many of which will work to the benefit of taxpayers. Let me illustrate the point I make by providing several examples. The bill provides that a mortgagee in possession who sells a home is not liable for vendor duty. Currently, if a home owner fails to make mortgage repayments and a bank steps in to sell the home from under him, because the bank is the vendor, it is not exempt from duty. The home is not the bank's residence.

The TEMPORARY CHAIRMAN (Mr Paul Lynch): Order! I call the honourable member for Lane Cove to order.

Mr GRAHAM WEST: This bill will protect mortgagee sales from duty. Take the example of the poor bloke who is down on his luck and loses his job. When the bank steps in and acts as mortgagee in possession, it will put the house up for sale. The effect of the Opposition's amendments will be that the poor guy will have to pay 2.25 per cent vendor duty. The Opposition will make people in those unfortunate circumstances miss out on the exemption provided by the bill. By virtue of the Opposition's amendment, the home owner down on his luck will be subject to 2.25 per cent vendor duty. The bill provides additional time in which executors may sell a house that was the principal place of residence of a deceased person. Without the provisions of this bill, the current 12-month limitation will run from the date of the death of the owner, and not from the date of the grant of probate.

The TEMPORARY CHAIRMAN (Mr Paul Lynch): Order! The Committee will come to order.

[Interruption]

The TEMPORARY CHAIRMAN (Mr Paul Lynch): Order! The honourable member for Lachlan has been a member of the Legislative Assembly long enough to know that he should remain silent when the Chair is on his feet. The Committee will come to order.

[Interruption]

The TEMPORARY CHAIRMAN (Mr Paul Lynch): Order! I place the honourable member for Davidson on three calls to order. Hansard is unable to hear the debate because of the level of noise in the Chamber. I suggest that all members pay attention to the debate. Members who want to make a noise should leave the Chamber.

Mr GRAHAM WEST: Executors are unable to take action until the grant of probate. Families who have just lost a loved one will hardly have had time to grieve when, as a result of the Opposition's amendment, they will have to rush to apply for a grant of probate. The Opposition will only have increased their suffering if the amendment is passed. The bill clarifies that a home owned 50 per cent by an occupier and 50 per cent by another qualifies for residence exemption and will be exempt from vendor duty, but if the Opposition's amendment is passed, it will mean that when parents help their children to buy a home by purchasing a share of the property as tenants in common or when a brother assists his sister to buy a home, duty will apply to the eventual sale of that property. The Opposition's amendments attacks mums and dads who are trying to help their kids to buy a home. Mums and dads who are trying to give their kids a head start will be frustrated by the Opposition's amendment. The Opposition has made a mistake by moving this amendment. It has shown that it is either incompetent or heartless so far as families are concerned.

Mr ANDREW TINK (Epping) [9.44 p.m.]: I hope that the Parliamentary Secretary was better briefed in relation to what he has just said than he was the last time he made remarks about this legislation. I remind the Committee that a Treasury memorandum referring to his speech during the second reading stage of the bill states:

This Bill incorporates yesterday's changes, has been approved by LegCo and is what is being printed to be wheeled into the House at 10 am today when I assume Graham West will read the speech on behalf of Egan.

This means he will be in the Chair when debate resumes on Tuesday, and will be the one responsible for replying to issues raised by the Opposition in their speeches. Hope he is good at reading the hastily scribbled notes we will have to pass to him to give him the answer.

The next part is the killer:

This is where our briefs will come in handy to cover stuff we have not been focusing on in the Bill.

In other words, the only reason the House is considering this bill tonight is the rank incompetence of the Premier of New South Wales and those advising the Government, who have made members opposite look like complete and utterly incompetent idiots. Treasury officials have made the honourable member for Campbelltown look like a complete dope. The Treasurer has used him as the little dummy who does his dirty work. The New South Wales Treasurer came into this Chamber to deliver the budget, but refused to answer any questions, and the honourable member for Campbelltown has been left to carry the can.

Mr Carl Scully: Point of order—

The TEMPORARY CHAIRMAN (Mr Paul Lynch): Order! The honourable member for Epping will resume his seat. Given the level of noise in the Chamber, Hansard has not been able to record everything that was said by the honourable member for Epping. I ask the Committee to show a degree of decorum during the debate.

Mr Carl Scully: My point of order is quite simple. I am happy to have the honourable member for Epping make a contribution, but I ask him to comply with the standing orders and address the specific amendment. The rest of his kerfuffle and gobbledygook is very interesting, but I suggest that he reserve it for the dining room.

Mr ANDREW TINK: To the point of order: This is highly relevant to the amendments because it goes to the underlying competence of everything that has been put before the Chamber tonight. This legislation has been a stuff-up from start to finish. If the Leader of the House cannot understand that point, God help the Government and God help every person who owns property in New South Wales. It is no wonder the Premier is investing in New Zealand. The Premier knows what an incompetent lot the Treasurer and the Treasury are. Like every other thinking property investor, the Premier has gone to New Zealand, or Queensland and Victoria—any jurisdiction other than this one, which simply cannot get it together.

The TEMPORARY CHAIRMAN (Mr Paul Lynch): Order! The honourable member for Epping will resume his seat. This is not a second reading debate. The purpose of the debate is to deal with the specific amendment before the Committee.

Mr ANDREW TINK: It is to deal with incompetence!

The TEMPORARY CHAIRMAN (Mr Paul Lynch): Order! Unless he wishes to leave the Chamber, the honourable member for Epping will not interrupt the Chair when he is on his feet delivering a ruling. I accept the point of order taken by the Leader of the House. I ask the honourable member for Epping to address his comments to the amendment before the Committee.

Mr Andrew Fraser: Point of order: Mr Temporary Chairman, I feel sure that the honourable member for Epping would be much briefer in his remarks if he could be heard above the rabble on the Government side. I also remind you of your maiden speech in the House, when you took no notice of the Chair or the Chair's rulings and the Chair sat you down, the only member ever to be sat down while making a maiden speech in this place.

Mr ANDREW TINK: Mr Temporary Chairman—

The TEMPORARY CHAIRMAN (Mr Paul Lynch): Order! I do not need to hear anything further on the point of order. I place the honourable member for Coffs Harbour on two calls to order for casting aspersions on the Chair. The honourable member for Epping may continue.

Mr ANDREW TINK: At the end of the day the issue is competence. The Government has no competence when it comes to this issue or this bill. The Parliamentary Secretary has been left to carry the can for the Treasurer, who does not have the courage to come into this Chamber and answer questions. It is as simple as that.

The TEMPORARY CHAIRMAN (Mr Paul Lynch): Order! The question is, That the words stand.

Mr John Turner: Point of order: The Minister for Health is conducting a conversation with people in the public gallery. Let us have some decorum in the Chamber.

The TEMPORARY CHAIRMAN (Mr Paul Lynch): Order! The honourable member for Myall Lakes prevented me from hearing the response to the question, which I will restate.

Question—That the words stand—put.

The Committee divided.

Ayes, 48

Ms Allan	Mr Greene	Mr Pearce
Mr Amery	Ms Hay	Mrs Perry
Ms Andrews	Mr Hunter	Mr Price
Mr Bartlett	Mr Iemma	Mr Sartor
Ms Beamer	Ms Judge	Mr Scully
Mr Black	Ms Keneally	Mr Shearan
Mr Brown	Mr Knowles	Mr Stewart
Ms Burney	Mr McBride	Mr Tripodi
Miss Burton	Mr McLeay	Mr Watkins
Mr Campbell	Ms Meagher	Mr West
Mr Collier	Ms Megarrity	Mr Whan
Mr Corrigan	Mr Mills	Mr Yeadon
Mr Crittenden	Mr Morris	
Ms D'Amore	Mr Newell	
Mr Debus	Ms Nori	<i>Tellers,</i>
Mr Gaudry	Mr Orkopoulos	Mr Ashton
Mr Gibson	Mrs Paluzzano	Mr Martin

Noes, 35

Mr Aplin	Mr Humpherson	Ms Seaton
Mr Armstrong	Mr Kerr	Mrs Skinner
Mr Barr	Mr McGrane	Mr Slack-Smith
Ms Berejiklian	Mr Merton	Mr Souris
Mr Cansdell	Ms Moore	Mr Stoner
Mr Constance	Mr Oakeshott	Mr Tink
Mr Debnam	Mr O'Farrell	Mr Torbay
Mr Draper	Mr Page	Mr J. H. Turner
Mr Fraser	Mr Piccoli	Mr R.W. Turner
Mrs Hancock	Mr Pringle	<i>Tellers,</i>
Mr Hazzard	Mr Richardson	Mr George
Ms Hodgkinson	Mr Roberts	Mr Maguire

Pairs

Mr Hickey	Mr Brogden
Ms Saliba	Mrs Hopwood

Question resolved in the affirmative.

Amendment negatived.

Schedule 1 agreed to.

Schedule 2 agreed to.

Bill reported from Committee without amendment and passed through remaining stages.

BILLS RETURNED

The following bill was returned from the Legislative Council without amendment:

Water Management Amendment Bill

BUSINESS OF THE HOUSE**Bill: Suspension of Standing and Sessional Orders****Motion by Mr John Watkins agreed to:**

That standing and sessional orders be suspended to permit the introduction forthwith of the Child Protection (Offenders Registration) Amendment Bill, notice of which was given this day for tomorrow, and its progress up to and including the Minister's second reading speech.

CHILD PROTECTION (OFFENDERS REGISTRATION) AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr JOHN WATKINS (Ryde—Minister for Police) [10.02 p.m.]: I move:

That this bill be now read a second time.

I am pleased to introduce the Child Protection (Offenders Registration) Amendment Bill. The Carr Government established Australia's first child protection offender registration regime under the Child Protection (Offenders Registration) Act 2000. The Act requires child sex offenders and other specified serious offenders against children to keep police informed of certain personal details for a period of time after their release into the community. This information is placed on the NSW Police Child Protection Register. As at the end of May 2004 a total of 1,500 offenders had been placed on the register. Of those offenders, 971 have been released into the

community and those that remain in New South Wales are required to report to police. The Child Protection Register has assisted in detecting breaches of parole, bail, bond and visa conditions, resulting in successful extraditions and deportations. The offender registration scheme has now been operating for almost three years and practical experience has shown that it can be improved in a number of respects.

One of the greatest limitations of the current scheme is that other jurisdictions do not have similar arrangements in place, which means New South Wales offenders can disappear from police attention when they travel outside New South Wales. Without them being monitored in another State, it is difficult to detect their re-entry into New South Wales. It is also difficult for NSW Police to be aware of offenders who enter New South Wales after being sentenced or released from custody in other jurisdictions. That is why I have pursued the development of complementary State and Territory legislation through the Australasian Police Ministers Council [APMC]. The model legislation developed through APMC draws heavily on the current New South Wales scheme, but improves on it by incorporating a number of reforms identified by operational police and elements from legislation introduced in the United Kingdom, the United States of America, Canada and New Zealand.

I will now outline some key features of the bill. The bill allows for a court to order a person convicted of a non-registrable offence to register. There may be evidence admitted in the successful prosecution of some non-registrable offences that clearly demonstrates an offender poses a risk to the sexual safety or life of a child, or children generally. The bill enables the sentencing court to make a child protection registration order, on the application of the prosecution, where it is satisfied that there is a risk the offender will engage in conduct that may constitute a registrable offence. The court cannot make such an order when it dismisses or conditionally dismisses the charge. Offenders subject to child protection registration orders are registrable persons and are treated as class 2 offenders for the purposes of the Act. Child protection registration orders can be appealed in the same manner as any other sentence.

Regarding reporting obligations from offenders from interstate, the bill ensures that registrable persons entering New South Wales from other States are aware of their obligations under New South Wales law. The Commissioner of Police will arrange for offenders who enter New South Wales from other jurisdictions, or who become corresponding registrable persons, to be advised of their reporting obligations. Regarding additional information and frequency, offenders will be required to report. Offenders will be required to report additional information in New South Wales, including previous names they have used and when they used those names, names and ages of any children who generally reside in the same household as them or with whom they have unsupervised contact, details of affiliation with any club or organisation that has child membership or child participation in its activities and details of any tattoos or distinguishing marks that they have.

The bill sets out when registrable persons must report to police and is consistent with arrangements under the current Act. However, offenders from other jurisdictions must report within 14 days of entering and remaining in New South Wales, rather than the current 28 days. This treats a change of jurisdiction in the same manner as a change of address. New South Wales Police are detecting and prosecuting an increasing number of registrable persons who initially report to police but then fail to report changes to their personal information. The bill requires offenders to report to police each year, in the same month as their first report, irrespective of whether their personal information has changed or not. All Australian police forces have agreed that the introduction of annual registration requirements is an essential safeguard to the integrity of the scheme. Annual reporting exists in a number of United States of America and Canadian jurisdictions and has recently been introduced in the United Kingdom.

The bill tightens controls on offenders who attempt to move interstate inside the time they are first required to report. Offenders who live in border areas can also theoretically escape reporting in New South Wales by crossing the border at least every 13 days. This means NSW Police has minimal information about such offenders and it is easier for these persons to disappear from police scrutiny. The bill now requires offenders to make a full report before leaving New South Wales.

The bill also extends current travel reporting requirements. Offenders will be required to report all interstate travel of 14 or more days, rather than the current 28 days. They must also report the additional information of known addresses or locations they will be in whilst outside New South Wales and advise police if they are intending to leave New South Wales permanently. They must report interstate travel a week before leaving New South Wales or, if that is impractical, 24 hours before doing so, consistent with recent amendments to the United Kingdom scheme. If they do not leave New South Wales as reported, or if they change their itinerary whilst outside New South Wales, they must report these changes to NSW Police.

Offenders will also be required to report travel interstate for short periods at least once a month to advise police in general terms of these travel arrangements. These provisions are likely to apply to persons who live in border areas or persons whose work involves regular interstate travel, like long-haul truck drivers. Police will share information on these offenders with the jurisdictions they regularly travel to. NSW Police will also be required to alert the Australian Federal Police of the international travel plans of registrable persons so that they may alert international authorities of high-threat offenders and better investigate overseas child sex offences.

The bill allows police to photograph the offender and parts of the offender's body. This power is consistent with certain United States of America, Canadian and United Kingdom offender registration legislation. The advantages of this are that the onus to provide photos is removed from the offender, the photos will be of higher quality, digital photos will be able to be scanned directly onto the register, and photos will be able to be taken of tattoos and other distinguishing marks by which an offender might be identified. The bill remakes provisions of the current Act and provides new reporting periods for registrable persons, which Australian police forces believe are simpler to apply and more appropriately address the recidivist risk of offenders.

A person found guilty of a single class 2 offence will continue to report for eight years. A person found guilty of a single class 1 offence must report for 15 years—previously 10 years. A person who has been found guilty of two class 2 offences, or multiple class 2 offences all committed before the person was first required to report under the Act, must report for 15 years—previously 12 years. A person who has been required to report under the Act for a single class 1 offence and who subsequently commits another registrable offence must report for the remainder of his or her life—previously 15 years or life, depending on the class of the subsequent offence. A person who has been required to report under the Act for a class 2 offence and who subsequently commits a class 1 offence or another class 2 offence, having been found guilty of three or more class 2 offences, must report for the remainder of his or her life—previously 12 years or 15 years, depending on the class of the subsequent offence.

The bill provides for the recognition and reporting obligations of offenders subject to reporting requirements in other jurisdictions who come to New South Wales. This bill has been developed in consultation with all other jurisdictions so that New South Wales can participate in the national child protection offender registration scheme that it has championed. I am very pleased to say that New South Wales has led the way in the establishment of the national child sex offender register. I look forward to parliaments across the nation establishing the model scheme. I thank all those officers responsible for the development of this bill. I thank those officers working in the ministry, in NSW Police and in my office. In particular, I thank Emma Murphy and my chief of staff, Jane Fitzgerald. I commend the bill to the House.

Debate adjourned on motion by Mr Daryl Maguire.

SPECIAL ADJOURNMENT

Motion by Mr John Watkins agreed to:

That the House at its rising this day do adjourn until Thursday 24 June 2004 at 10.00 a.m.

The House adjourned at 10.15 p.m. until Thursday 24 June 2004 at 10.00 a.m.
